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Improving the financial situation of the United Nations

Improving the financial situation of the United Nations

Report of the Secretary-General

I. Introduction

1. The present report updates information on the financial situation of the United Nations provided in the report of the Secretary-General of 24 March 1999 (A/53/514/Add.2). It also provides information on the financial situation of the Organization as at 30 September 1999 and cash flow projections for the remaining months of 1999.

II. Review of the financial situation at 30 September and prospects to 31 December 1999

A. Overview

2. Aggregate assessment levels comprising the regular budget, peacekeeping and the international tribunals for Rwanda and the former Yugoslavia totalled over $4 billion in 1995. These levels decreased to slightly above $2 billion in 1998, are projected to rise to $2.4 billion by the end of 1999 and may rise still further to $2.8 billion during the biennium 2000-2001. Within these aggregate amounts, regular budget assessment levels have been decreasing in recent years as the cumulative effect of measures to create simplified structures and a leaner and more efficient Secretariat have taken effect. Real costs have been reduced to absorb inflation. Additional mission costs have also been absorbed and the level of regular budget appropriations today is lower than in 1994. Peacekeeping assessments have decreased from their peak of $3.2 billion in 1994 to $907 million in 1998. Peacekeeping assessment levels in 1999 are expected to include the start-up phase of missions in Kosovo, East Timor and Sierra Leone and it is currently assumed that higher amounts will be reflected for these missions in the biennium 2000-2001. Tribunal assessment levels have been increasing and it is expected that their total budget levels in 2000 will approach $200 million.

3. The analysis in the present report is based on actual results for the months of January through September 1999, and a preliminary estimate or a range of estimates for the remaining three months of 1999. In some instances, Member States have provided the Secretariat with estimates of their intended payments of assessments during the balance of the year.

4. The three indicators that are key to assessing the Organization's financial situation are unpaid assessments, available cash and amounts due to Member States. Details on each of these three indicators are contained in the paragraphs that follow.

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B. Unpaid assessments

5. The prompt collection of assessments is the bedrock of United Nations financial stability. There are no other funds with which to maintain the Organization, or to carry out the mandates entrusted to the Secretary-General by Member States. The Organization has no capital, limited reserves and cannot borrow from external sources. As a result, there is no substitute for the prompt collection of assessments. It is thus the prime requirement to achieve a firm financial base.

6. As at 30 September 1999, unpaid assessments aggregated $2,510 million and have remained at a high level for the past four years. During the past decade, unpaid regular budget assessments have moved in a much narrower range than those for peacekeeping, while unpaid assessments for the international tribunals have increased each year since they were first authorized for 1995. Of the assessments unpaid at 30 September, $644 million was for the regular budget, $1,831 million for peacekeeping and $35 million for the international tribunals. The aggregate of $2,510 million is slightly more than a year earlier, but quite a bit more than two years ago, with most of the increase due to the growth in peacekeeping arrears.

7. The absolute amount of uncollected assessments is of great concern. In relative terms the picture is worse. Uncollected assessments at 30 September exceeded by 23 per cent the amount of total assessments made during the first nine months of 1999. The same adverse ratio existed for the last two years, but the excess in 1997 was only 7 per cent. In other words, uncollected assessments at 30 September 1999 represent, in dollar terms, about 12 months of assessments, or approximately one year of uncollected assessments.

Regular budget

8. Unpaid regular budget assessments as at 30 September in any year are usually higher than the amounts owed at 31 December, owing in part to the fact that payments for current assessments by the major contributor only begin when that Member State starts its new budget year on 1 October. Accordingly, it is expected that the peak level of regular budget assessments shown as at 30 September 1999 will decrease by the end of the year.

9. As at 30 September 1999, the United States of America owed 81 per cent of the outstanding aggregate regular budget amounts. Two other Member States among the next 14 principal contributors, Brazil and Argentina, had outstanding regular budget contributions amounting to 9 per cent of the total outstanding. It is anticipated that these three Member States will make some additional regular budget payments by 31 December 1999. Of the remaining 170 Member States, 77 owed 10 per cent of the uncollected regular budget total.

10. Regular budget contributions received in 1999 ($857 million) were actually somewhat lower than at the same time last year. This amount comprised payments of both the current and prior years' assessments. The aggregate amount of regular budget contributions that were received represented 79 per cent of the $1,084 million assessed for 1999. That percentage is down from corresponding figures of 80 per cent and 88 per cent for 1998 and 1997.

11. At 30 September 1999, 104 Member States had paid their regular budget contributions in full for 1999 and all prior years, showing continuing improvement over previous years. It is hoped that the final number will be higher than 117, which is the total number of Member States paying in full all regular budget assessments at the end of 1998.

Peacekeeping

12. Total outstanding peacekeeping amounts at the end of September 1999 totalled $1,831 million. This has shown a steadily rising trend since 1990. In fact, as at 30 September 1999, unpaid peacekeeping assessments were above the 1995 level, despite a significant decrease since then in the level of peacekeeping activity. It had been anticipated that Member States would take advantage of the lower level of current peacekeeping assessments to reduce their peacekeeping arrears but, at the aggregate level, that did not happen.

13. At 30 September 1999, the United States owed 60 per cent of total outstanding peacekeeping assessments, Ukraine owed 11 per cent and the Russian Federation 6 per cent. Unpaid United States assessments, as at 30 September 1999, have increased from a year ago, while Ukraine's level remains the same and that of the Russian Federation has decreased.

14. Five years ago the unpaid arrears of the Russian Federation stood at $569 million. Today's level reflects a reduction from that amount of over 80 per cent.

International tribunals

15. Unpaid assessments for the international tribunals are increasing. In 1999, the unpaid balance increased by $13 million from the previous year, an increase of 75 per cent from two years ago. A first warning about this increasing debt was made a year ago. It now appears that unpaid assessments will increase further, as assessment levels for

the tribunals will probably be increasing when the next cycle of budgets is considered.

Summary

16. In summary, the magnitude of unpaid assessments effectively eliminates the financial base of the Organization. The assessment system was developed to produce cash resources at the beginning of the period when mandated activities were to be carried out using those resources. In practice, however, only a partial resource level has been provided. Thus, the absence of financial flexibility endangers the Organization's very existence and leaves a globally important organization managed without the predictable, assured financial support of its members.

C. Available cash

Regular budget

17. The cash position of the combined General Fund, including the regular budget and reserves, at the end of 1998, was a negative $40 million. While significant, this end of year figure was an improvement over even larger cash deficits experienced at the end of 1996 and 1997. Several factors caused this improvement, most notably the significant payment of $197 million made in November 1998 by the United States. That amount was sufficient to lower that Member State's unpaid assessments to an amount less than the aggregate of assessments rendered in the prior two years.

18. By the end of January 1999, cash inflows from the timely payments of 1999 regular budget assessments permitted the repayment of amounts borrowed from peacekeeping funds and eliminated the regular budget cash deficit. Regular budget payments received during the early months of 1999 permitted the cash position to remain positive until July, when it became necessary to borrow from peacekeeping accounts. In September, payment by Japan of the $155 million balance of its regular budget contribution allowed payment of peacekeeping funds borrowed to that date, resulting in a positive cash position in September.

19. Projections for the remaining three months of 1999 were based on discussions with several Member States about the level and timing of payments that may be expected for the regular budget, and, as a result, a number of additional payments have been included in the projection. Nevertheless, it is still likely that the Organization will be faced with a negative regular budget cash balance of $60 million at the end of October and $162 million at the end of November. The position at the end of December, however, remains uncertain.

20. The final outcome will depend largely on how much will be received from the United States beyond previously appropriated funds, the payment of which, it is understood, will be made before the end of 1999. If no further payment is made by that country by the end of the year, regular budget cash will be a negative $248 million. This possibility is not considered likely, but it does serve as a base case against which to consider more likely outcomes.

21. While past experience confirms that the United States does make substantial payments late in the year, the United States has informed the United Nations that enabling national legislation for its fiscal year, which begins on 1 October 1999, has not been fully enacted. Under these circumstances, the United States cannot give definitive assurance that all payments will, in fact, be made.

22. As a result, two different year-end scenarios have been projected. Scenario 1 forecasts regular budget cash at the end of year 1999 by projecting an end of year payment by the United States equivalent to that made in the last weeks of 1998, that is approximately $197 million. Scenario 2 assumes that the United States will pay sufficient regular budget and peacekeeping assessments to reduce its total obligations to the Organization to the equivalent of the most recent two-year assessments, that is $350 million. It is further assumed that, of this amount, $250 million will be applied to regular budget assessments and $100 million to peacekeeping.

23. Under scenario 1, it is forecast that regular budget cash resources will be in a deficit position of around $48 million, similar to the year-end position in 1998. Under scenario 2, cash balances available for the regular budget would be a positive $2 million.

24. Were the payment assumed under scenario 2 received, for the first time since 1993, there would be no need to cross-borrow peacekeeping funds to relieve the regular budget cash deficit. It should be noted, however, that at this stage no firm projection can be made.

Peacekeeping

25. In the Secretariat's October 1998 forecast, the level of peacekeeping activity for 1999 was initially forecast at about $900 million. By March 1999, the forecast was reduced to $650 million. Diminishing cash balances were also foreseen, from $768 million as at 1 January to $716 million by 31 August 1999. The pattern was also expected to be somewhat predictable, with peak levels of cash inflow

following the semi-annual pattern of peacekeeping assessments for the established missions. In the operational situation then prevailing, it was anticipated that by year end 1999 peacekeeping cash would have been at a level close to the beginning of the year.

26. That situation is still expected, at least in the short term. Peacekeeping cash is now forecast at $749 million at 31 December 1999, compared to $768 million at the beginning of the year. This means that the impact of any new missions will be felt only marginally until closer to the end of the year. At present, the cash impact of a first assessment made for the United Nations Interim Administration in Kosovo (UNMIK) has only begun. Budgets for significant follow-on assessments are only now being finalized and assessments have not yet been authorized for Sierra Leone or East Timor.

27. With this in mind, the Secretariat forecasts a peacekeeping cash balance of $749 million at 31 December 1999. This does not, however, reflect any additional arrearage payments from the United States for peacekeeping missions. Scenario 2, however, includes an amount of $100 million in additional payments from the United States if that Member State is to reduce its total obligations to the Organization to the equivalent of the most recent two years assessments. The United States did not make such an arrearage payment in 1998.

28. As a result of this uncertainty about arrearage payments by the United States, the Secretariat cannot make a precise forecast. If, however, a further $100 million arrearage payment is made, peacekeeping cash would rise to $849 million, the highest amount in some time.

29. Without cash the Secretary-General is unable to act, a situation illustrated by the example of the United Nations Interim Administration in Kosovo (UNMIK). This was mandated by the Security Council on 10 June 1999. An assessment of $125 million was authorized by the General Assembly on 28 July to cover start-up costs and the assessment letter for UNMIK was sent to all Member States on 30 July. Three months later, however, on 30 September 1999, only 30 Member States had paid their assessments for a total receipt of $35 million, just over 25 per cent of the necessary financing for start-up costs. As this demonstrates, while new missions mean higher levels of peacekeeping activity, they do not necessarily translate into higher levels of cash.

Combined cash situation

30. Combined cash balances at the end of 1998, including regular budget, peacekeeping and the international tribunals, were higher than in 1996 and 1997. This improved combined cash position was largely due to increased end of year payments in 1998 by the United States. Whether and to what extent such payments will be made by the end of 1999 is not yet confirmed by that Member State. In these circumstances, and following the scenarios previously outlined, scenario 1, assuming additional amounts of approximately $197 million by the end of 1999, would result in combined cash of $727 million; scenario 2, assuming additional payments of $150 million, beyond those paid in 1998, of $150 million, would result in a combined cash increase to $877 million.

31. In the case of scenario 1, cross-borrowing from peacekeeping funds would still be necessary as at 31 December 1999 to cover the projected regular budget cash deficit of $48 million. Scenario 2 does not entail the need for cross-borrowing. The elimination of the need to cross-borrow is a step in the right direction. The step is a small and tentative one, however, and it disappears if scenario 2 does not take place.

Summary

32. In summary, the Organization continues to have no cash reserves, it has limited cash on hand with which to begin new missions and it has limited financial flexibility and would have none at all if full reimbursements were paid to troop and equipment providers, instead of retaining the related cash to provide an adequate cash base for the Organization.

D. Amounts owed to Member States

33. Without adequate cash, the debt to Member States for troops and contingent-owned equipment cannot in practice be paid, certainly not in full.

34. Amounts owed to Member States at the beginning of 1999 totalled $872 million. It is estimated that at year-end 1999, the United Nations will owe $729 million to those Member States that have provided troops and equipment to the Organization, an amount lower than the level of over $800 million experienced during most of the past few years. This decrease, however, was mainly due to downward revaluations of the debt, not payments by the United Nations. In this connection, the Organization recently negotiated a revaluation of equipment owed to one Member State by some $127 million. This revaluation should be seen in the context of the previous upward revaluations of earlier years which amounted to over $200 million.

35. In addition, and in accordance with the Secretary-General's stated goal to pay the full amount of obligations received by the Organization during the year in which those obligations are incurred, every effort was made to pay this year's incurred costs. Obligations in 1999 for troops and equipment are expected to total $141 million. Payments totalling $80 million to troop and equipment contributing countries have been made and, in the weeks ahead, it is expected that additional payments of $61 million will be made, for a total of $141 million.

36. An arrears payment of $16 million was also received from the Russian Federation. This will also be paid, since it is the Secretary-General's intention to make an additional reimbursement payment equal to any arrearage contribution received. This arrearage contribution is applicable to the United Nations Operation in Somalia (UNOSOM), a mission where reimbursement to Member States has been particularly protracted. Thus, total reimbursement payments are expected to total $157 million.

Summary

37. Even with these payments and the downward revaluation, however, the Organization's debt remains high. Given competing cash demands on the Organization, and the present inadequate level of cash resources, future liquidation of troop and equipment obligations is almost entirely dependent on the collection of peacekeeping assessments now long in arrears. In summary, one group of Member States is financing another group, with no relief in sight.

III. Conclusion

38. There were some bright spots in the early months of 1999 but, on balance, the current situation is only a little better than a year ago. The financial situation of the United Nations remains grim and there remains a severe deficit in the Organization's financial and operational flexibility to respond promptly and efficiently to new challenges.

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Financing of the United Nations Observer Mission in Sierra Leone

Financing of the United Nations Observer Mission in Sierra Leone

Report of the Secretary-General

Summary

The present report contains the revised budget for the 12-month period from 1 July 1999 to 30 June 2000 for the operation of the United Nations Observer Mission in Sierra Leone (UNOMSIL), which amounts to $34,382,400 gross ($32,870,100 net). It incorporates additional requirements for the provisional expansion of the Observer Mission, which was authorized by the Security Council in resolution 1260 (1999) of 20 August 1999.

Of the total revised budget, some 36 per cent of resources relate to civilian personnel costs. Operational costs account for 31 per cent of the budget, military personnel costs reflect 29 per cent, while staff assessment comprises 4 per cent of the total. Less than 1 per cent of the total resources are related to other programmes.

The action to be taken by the General Assembly is set out in paragraph 22 of the present report.

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I. Overview

1. The present report contains the revised budget for the 12-month period from 1 July 1999 to 30 June 2000 for the operation of the United Nations Observer Mission in Sierra Leone (UNOMSIL), which amounts to $34,382,400 gross ($32,870,100 net). The revised budget incorporates additional requirements for the provisional expansion of the Observer Mission, which was authorized by the Security Council in resolution 1260 (1999) of 20 August 1999, and should be read in conjunction with the previous report of the Secretary-General on the financing of UNOMSIL (A/53/454/Add.1). The revised budget does not cover the estimated costs associated with the deployment to Sierra Leone of a United Nations peacekeeping force, proposed in the eighth report of the Secretary-General to the Security Council on UNOMSIL (S/1999/1003). Should the Council authorize the deployment of a force, related additional resource requirements will be submitted to the General Assembly in an addendum to the present report.

2. The original budget of UNOMSIL, as contained in document A/53/454/Add.1, amounted to $16,412,400 gross ($15,560,400 net) and was based on the strength authorized by the Security Council in resolution 1181 (1998) of 13 July 1998, that is, 70 military observers, together with a 15-person medical unit and 5 civilian police advisers supported by 50 international and 48 local staff.

3. Having reviewed the proposed budget on 22 February 1999, the Advisory Committee on Administrative and Budgetary Questions, owing to the prevailing security situation and uncertainty as to the future deployment of UNOMSIL at that time, refrained from making recommendations to the General Assembly on the budget. As a result, the Fifth Committee of the General Assembly took no action during its resumed fifty-third session on the financing of UNOMSIL for the period from 1 July 1999 to 30 June 2000.

4. Subsequently, in a letter dated 13 June 1999 addressed to the Secretary-General by the Chairman of the Advisory Committee on Administrative and Budgetary Questions, the Advisory Committee concurred with entering into commitments for the maintenance of UNOMSIL for the four-month period from 1 July to 31 October 1999, in the amount of $5,470,800 gross ($5,186,800 net), as had been requested by the Controller in a letter dated 11 June 1999.

5. Following the signing on 7 July 1999 of the Lomé Peace Agreement between the Government of Sierra Leone and the Revolutionary United Front of Sierra Leone (RUF/SL), the Secretary-General, in his seventh report to the Security Council on UNOMSIL (S/1999/836 and Add.1), set out his recommendations on the immediate measures that should be taken to strengthen the Mission, including the deployment to Sierra Leone of an additional 140 military observers, the introduction of a second-line medical capability of 35 personnel and the strengthening of the Mission with additional civilian staff.

6. The Security Council, by resolution 1260 (1999), *inter alia*, authorized the provisional expansion of UNOMSIL to up to 210 military observers along with the necessary equipment and administrative and medical support, as well as the strengthening of the political, civil affairs, information, human rights and child protection elements of UNOMSIL, as set out in the report of the Secretary-General to the Security Council (S/1999/836, paras. 40 to 51), including the appointment of a deputy Special Representative of the Secretary-General and the expansion of the Office of the Special Representative of the Secretary-General.

7. Pending the completion of the present report and in order to provide for the immediate operational requirements of UNOMSIL with regard to the deployment of additional military observers and a medical unit, as well as the acquisition of vehicles, communications and

other equipment, the Advisory Committee, in a letter dated 20 September 1999, concurred with the request of the Controller, contained in his letter dated 14 September 1999, to enter into additional commitments for UNOMSIL in an amount not exceeding $6,437,300. Thus, the total commitment authority provided by the Advisory Committee for the maintenance of UNOMSIL and for its provisional expansion amounts to $11,908,100 gross ($11,624,100 net).

8. The revised budget of UNOMSIL for the period from 1 July 1999 to 30 June 2000 is $17,970,000 higher in gross terms than the initial proposed budget of $16,412,400 for the same period (see A/53/454/Add.1). Table 1 below provides comparisons, by category of expenditure, among actual 1998-1999 expenditures, the initial proposed budget for the period 1999-2000 and the proposed revised budget.

Table 1
Financial resources
(Thousands of United States dollars)

				Proposed increase over original estimates	
Category of expenditure	*1998-1999 expenditure*	*1999-2000 original estimates*	*1999-2000 revised estimates*[a]	*Amount*	*Percentage*
Military personnel	2 116.0	4 419.6	10 005.9	5 586.3	126.4
Civilian personnel	4 761.9	7 566.9	12 238.1	4 671.2	61.7
Operational requirements	5 518.6	3 554.5	10 537.1	6 982.6	196.4
Other programmes	0.5	19.4	89.0	69.6	358.8
Staff assessment	486.8	852.0	1 512.3	660.3	77.5
Gross requirements	12 883.8	16 412.4	34 382.4	17 970.0	109.5
Voluntary contributions	-	-	-	-	-
Total	**12 883.8**	**16 412.4**	**34 382.4**	**17 970.0**	**109.5**

[a] Information on the distribution of resources by standard and mission-specific costs is contained in section B of annex II to the present report.

Table 2
Human resources

Military and civilian staff resources	*1998-1999*	*1999-2000 original estimates*	*1999-2000 revised estimates*	*Increase*
Military observers	70	70	210	140
Medical personnel	15	15	35	20
Military contingents	-	-	-	-
Civilian police	5	5	5	-
International staff	50	50	110	60
Local staff	48	48	69	21
United Nations Volunteers	-	-	-	-

9. The action to be taken by the General Assembly is:

(a) To appropriate the amount of $34,382,400 gross ($32,870,100 net) for the operation of UNOMSIL for the 12-month period from 1 July 1999 to 30 June 2000, inclusive of the amount of $11,908,100 gross ($11,624,100 net) already authorized by the Advisory Committee on Administrative and Budgetary Questions;

(b) To assess the amount of $15,472,080 gross ($14,791,545 net) for the period from 1 July to 13 December 1999;

(c) To assess the amount of $18,910,320 gross ($18,078,555 net) for the maintenance of UNOMSIL for the period from 14 December 1999 to 30 June 2000, at a monthly rate of $2,865,200 gross ($2,739,175 net), subject to the extension(s) of the mandate of UNOMSIL by the Security Council beyond 13 December 1999.

II. Political mandate of the United Nations Observer Mission in Sierra Leone

10. Information on the political mandate of UNOMSIL, as set out in Security Council resolution 1181 (1998), is provided in the previous report of the Secretary-General on the financing of UNOMSIL (A/53/454/Add.1, para. 4).

11. By resolution 1260 (1999), the Security Council authorized, *inter alia*, the provisional expansion of UNOMSIL to perform the tasks set out in the seventh report of the Secretary-General to the Security Council (S/1999/836, para. 38). These tasks are: (a) to strengthen and expand the contacts already established by UNOMSIL with RUF/SL troops in the countryside since the ceasefire agreement came into effect; (b) to extend the ceasefire monitoring activities of UNOMSIL to a wider geographical area, security conditions permitting; (c) to strengthen and assist the ceasefire monitoring committees and the central Joint Monitoring Committee established pursuant to the peace agreement to help maintain the ceasefire; (d) to monitor the military and security situation in the country and report thereon to the Special Representative of the Secretary-General; (e) to assist and monitor the disarmament and demobilization of combatants in areas where adequate security is provided; (f) to work closely with humanitarian organizations to exchange information on security conditions with a view to ensuring the widest possible access for humanitarian assistance to population in need; (g) to work closely with human rights officers, as required, in their visits throughout the country; (h) to maintain liaison and coordinate closely with ECOMOG (the Monitoring Group of the Economic Community of West African States); and (i) to assist in the preparation of plans for the deployment of neutral peacekeeping troops, as envisaged in the agreement.

12. In accordance with Security Council resolution 1245 (1999) of 11 June 1999, the current mandate of UNOMSIL expires on 13 December 1999.

III. Operational plan and requirements

13. The operational plan and requirements of UNOMSIL are described in the seventh report of the Secretary-General to the Security Council (S/1999/836, paras. 39-51). In order to achieve the objective set out therein, the operational plan for UNOMSIL calls for the increased military component of 210 military observers; an expanded civilian staffing establishment comprising 5 civilian police advisers, 110 international and 69 local staff;

deployment of a second-line medical facility of 35 medical personnel; provision for the establishment of 12 team sites, including one mobile site; initial stages of construction of a Mission headquarters compound; enhanced air operations support; and acquisition of additional transportation, communications, and electronic data-processing and other necessary equipment.

IV. Contribution made under the status-of-mission agreement

14. The following contribution has been made under the status-of-mission agreement:

		Value	
Government	*Contribution*	*1 July 1998 to 30 June 2000*	*1 July 1999 to 30 June 2000*
Sierra Leone	Parcel of land	-	[a]

[a] Not quantified.

V. Voluntary contributions and trust funds

A. Voluntary contributions

15. No voluntary contributions have been received for the period from 1 July 1998 to 30 June 1999 or for the period from 1 July 1999 to 30 June 2000.

B. Trust funds

16. The status of contributions to the Trust Fund to Support United Nations Peacekeeping-related Efforts in Sierra Leone is as follows:

	(United States dollars)		
	Receipts	*Expenditure*	*Pledged*
Cash contributions			
1 July 1998 to 30 June 1999	2 092 150	1 130 175	-
1 July 1999 to 30 June 2000	-	-	-
Contributions in kind			
1 July 1998 to 30 June 1999	-	-	-
1 July 1999 to 30 June 2000	-	-	-
Total	**2 092 150**	**1 130 175**	-

VI. Staffing requirements

A. Changes in staffing requirements

	Number of posts		
	Current staffing	*Proposed staffing requirements*	*Net change*
International staff			
Under-Secretary-General	-	-	-
Assistant Secretary-General	-	1	1
D-2	1	1	-
D-1	1	2	1
P-5	1	4	3
P-4	6	13	7
P-3	14	23	9
P-2/P-1	-	10	10
Subtotal	**23**	**54**	**31**
General Service (Principal level)	-	-	-
General Service (Other level)	9	9	-
Subtotal	**9**	**9**	**-**
Field Service	18	47	29
Security Service	-	-	-
Subtotal	**18**	**47**	**29**
Total, international staff	**50**	**110**	**60**
Local staff	48	69	21
United Nations Volunteers	-	-	-
Subtotal	**48**	**69**	**21**
Total	**98**	**179**	**81**

17. In order to support the provisional expansion of UNOMSIL and the strengthening of its political, civil affairs, information, human rights and child protection elements, as set out in the seventh report of the Secretary-General to the Security Council (S/1999/836, paras. 40-51), it is proposed that the civilian staffing establishment of UNOMSIL be augmented by an additional 60 international staff (31 Professional and 29 Field Service) and 21 local staff, for a revised total of 110 international staff (54 Professional, 47 Field Service and 9 General Service) and 69 local staff. The organizational structure of UNOMSIL is presented in annex III to the present report; the proposed distribution of civilian staff by category and office is shown in section B below, with the deployment schedule of civilian personnel provided in section C.

18. The proposed changes to the organizational structure of UNOMSIL reflect the expansion of the Office of the Special Representative of the Secretary-General, the establishment of a Civil Affairs Office and the reorganization of the former

Communications/Electronic Data-processing Section into the Communications Section and Electronic Data-processing Section. With regard to the revised staffing requirements, these include the establishment of 31 additional posts at the Professional level, 29 posts at the Field Service level and 21 local staff positions; these figures include the upgrading of the posts of Special Representative of the Secretary-General, Chief Administrative Officer and Chief Finance Officer, for a net increase of 81 posts, as summarized below:

(a) **Office of the Special Representative of the Secretary-General**. One post at the Assistant Secretary-General level. The post at the D-2 level would be maintained to accommodate a new position of deputy Special Representative of the Secretary-General; one P-5 post (Child Protection Adviser); and one Field Service post;

(b) **Human Rights Office**. One P-5 post (Senior Human Rights Officer); three P-4, two P-3 and four P-2 posts (Human Rights Officers); one Field Service post;

(c) **Political Affairs Office**. One P-5 post (Senior Political Affairs Officer); two P-3 and two P-2 posts (Political Affairs Officers); three Field Service and two Local Level posts;

(d) **Civil Affairs Office**. One P-5 post (Senior Civil Affairs Officer); three P-4, three P-3 and three P-2 posts (Civil Affairs Officers); three Field Service and three Local Level posts;

(e) **Public Information Office**. Two P-3 posts (Public Information Officers); one Field Service and one Local Level posts;

(f) **Administration**. One D-1 (Chief Administrative Officer). One P-5 post previously encumbered by the Chief Administrative Officer to be abolished. One P-4 post (Chief, Finance Section) and one P-2 post (Chief, Electronic Data-processing Section); 20 Field Service and 15 Local Level posts.

19. In paragraph 5 of its resolution 53/29 of 20 November 1998, the General Assembly requested the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to employ locally recruited staff for the Observer Mission against General Service posts, commensurate with the requirements of the Mission. While for operational reasons no conversions of staff to local posts from the approved General Service staffing establishment are possible at the present stage, no new General Service posts have been requested in the present revised budget since related functions are fully covered by the proposed increase in the number of local staff positions.

B. Current and proposed staffing

20. The proposed distribution of civilian staff by category and office is set out in the table below.

	Professional category and above									General Service and related categories							
	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2	Total	Field Service	Principal level	Other level	Security Service	Total	Local staff	United Nations Volunteers	Grand total
Substantive																	
Office of the Special Representative of the Secretary-General																	
Current	-	-	1	-	-	-	1	-	**2**	-	-	2	-	**2**	3	-	7
Proposed	-	1	1	-	1	-	1	-	**4**	1	-	2	-	**3**	3	-	10
Office of the Chief Military Observer																	
Current	-	-	-	1	-	-	-	-	**1**	-	-	1	-	**1**	4	-	6
Proposed	-	-	-	1	-	-	-	-	**1**	-	-	1	-	**1**	4	-	6
Civilian Police Unit																	
Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Proposed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1
Human Rights Office																	
Current	-	-	-	-	-	1	3	-	**4**	-	-	1	-	**1**	2	-	7
Proposed	-	-	-	-	1	4	5	4	**14**	1	-	1	-	**2**	2	-	18
Political Affairs Office																	
Current	-	-	-	-	-	2	1	-	**3**	-	-	-	-	-	1	-	4
Proposed	-	-	-	-	1	2	3	2	**8**	3	-	-	-	**3**	3	-	14
Civil Affairs Office																	
Current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proposed	-	-	-	-	1	3	3	3	**10**	3	-	-	-	**3**	3	-	16
Public Information Office																	
Current	-	-	-	-	-	1	-	-	**1**	-	-	-	-	-	1	-	2
Proposed	-	-	-	-	-	1	2	-	**3**	1	-	-	-	**1**	2	-	6
Administration																	
Office of the Chief Administrative Officer																	
Current	-	-	-	-	1	1	2	-	**4**	-	-	1	-	**1**	2	-	7
Proposed	-	-	-	1	-	1	2	-	**4**	-	-	1	-	**1**	2	-	7
Administrative services																	
Current	-	-	-	-	-	1	7	-	**8**	18	-	4	-	**22**	34	-	64
Proposed	-	-	-	-	-	2	7	1	**10**	38	-	4	-	**42**	49	-	101
Total																	
Current	**-**	**-**	**1**	**1**	**1**	**6**	**14**	**-**	**23**	**18**	**-**	**9**	**-**	**27**	**48**	**-**	98
Proposed	**-**	**1**	**1**	**2**	**4**	**13**	**23**	**10**	**54**	**47**	**-**	**9**	**-**	**56**	**69**	**-**	179

C. Deployment of civilian personnel

21. The deployment schedule of civilian personnel is set out in the table below.

Personnel category	Authorized staffing	Deployment of civilian personnel								
		1999								16 Nov. 1999 to 30 June 2000
		1 July	1 Aug.	1 Sept.	15 Sept.	1 Oct.	15 Oct.	1 Nov.	15 Nov.	
International staff										
Under-Secretary-General	-	-	-	-	-	-	-	-	-	-
Assistant Secretary-General	-	-	-	-	-	1	1	1	1	1
D-2	1	1	1	1	1	1	1	1	1	1
D-1	1	1	1	1	1	2	2	2	2	2
P-5	1	1	1	1	2	3	4	4	4	4
P-4	6	4	4	4	5	9	10	11	13	13
P-3	14	8	9	9	14	18	21	22	23	23
P-2/P-1	-	-	-	-	3	7	9	10	10	10
Subtotal	**23**	**15**	**16**	**16**	**26**	**41**	**48**	**51**	**54**	**54**
General Service (Principal level)	-	-	-	-	-	-	-	-	-	-
General Service (Other level)	9	4	6	6	9	9	9	9	9	9
Subtotal	**9**	**4**	**6**	**6**	**9**	**9**	**9**	**9**	**9**	**9**
Field Service	18	12	14	14	22	27	32	42	47	47
Security Service	-	-	-	-	-	-	-	-	-	-
Subtotal	**18**	**12**	**14**	**14**	**22**	**27**	**32**	**42**	**47**	**47**
Total, international staff	**50**	**31**	**36**	**36**	**57**	**77**	**89**	**102**	**110**	**110**
Local staff	48	40	41	46	56	69	69	69	69	69
United Nations Volunteers	-	-	-	-	-	-	-	-	-	-
Subtotal	**48**	**40**	**41**	**46**	**56**	**69**	**69**	**69**	**69**	**69**
Total	**98**	**71**	**77**	**82**	**113**	**146**	**158**	**171**	**179**	**179**

VII. Action to be taken by the General Assembly at its fifty-fourth session

22. The action to be taken by the General Assembly at its fifty-fourth session in connection with the financing of UNOMSIL is as follows:

(a) To appropriate the amount of $34,382,400 gross ($32,870,100 net) for the operation of UNOMSIL for the 12-month period from 1 July 1999 to 30 June 2000, inclusive of the amount of $11,908,100 gross ($11,624,100 net) already authorized by the Advisory Committee on Administrative and Budgetary Questions;

(b) To assess the amount of $15,472,080 gross ($14,791,545 net) for the period from 1 July to 13 December 1999;

(c) To assess the amount of $18,910,320 gross ($18,078,555 net) for the maintenance of UNOMSIL for the period from 14 December 1999 to 30 June 2000, at a monthly rate of $2,865,200 gross ($2,739,175 net), subject to the extension(s) of the mandate of UNOMSIL by the Security Council beyond 13 December 1999.

Annex I

Revised cost estimates for the period from 1 July 1999 to 30 June 2000

A. Summary statement

(Thousands of United States dollars)

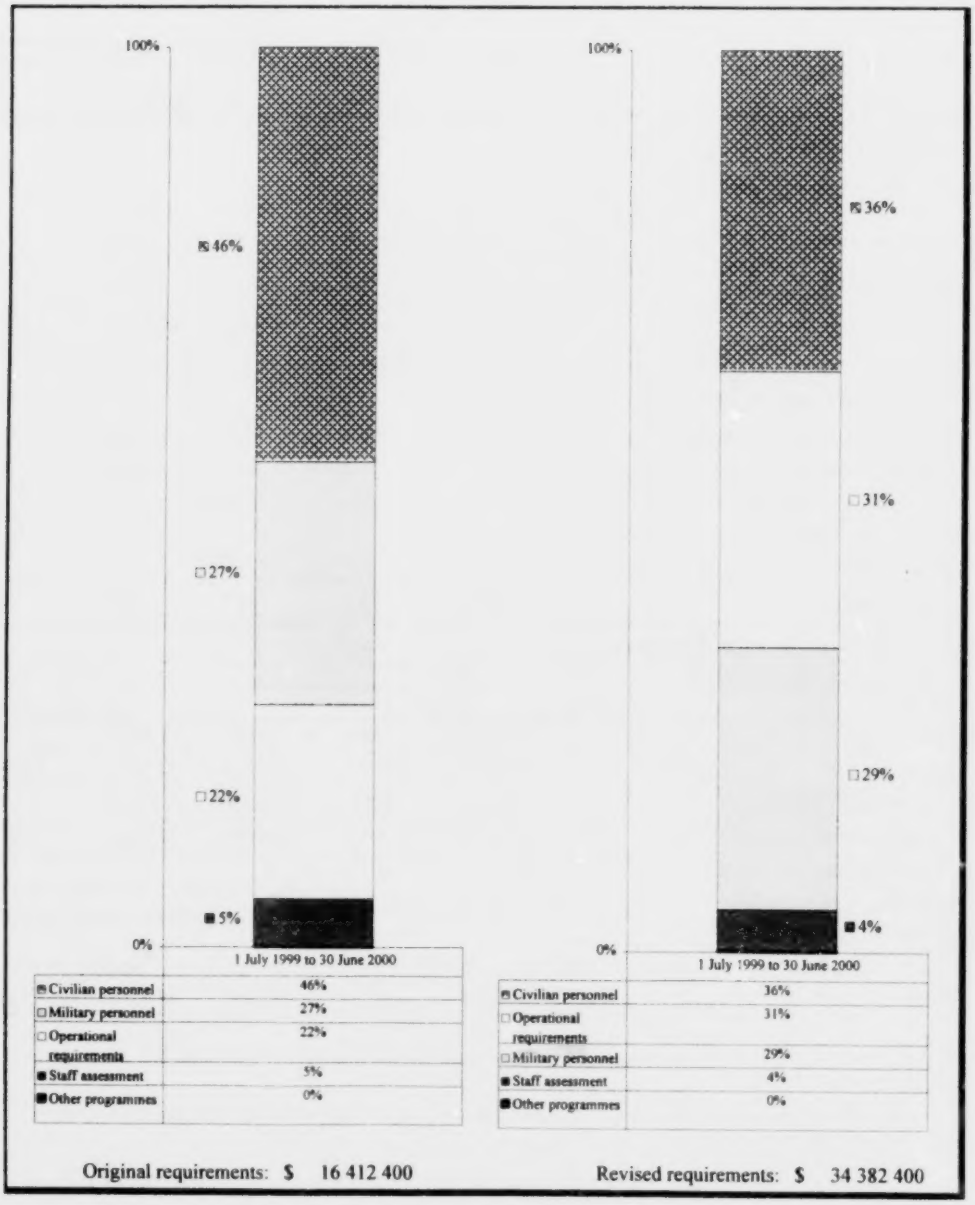
Category of apportionment	*Original cost estimates*[a] *(A/53/454/Add.1)*	*Revised cost estimates for the period from 1 July 1999 to 30 June 2000*[b]				*Additional requirements*
		1 July to 31 Aug. 1999	*1 Sept. 1999 to 30 June 2000*			
		Estimated expenditure	*Revised estimates*	*Total*	*Non-recurrent estimates*	
	(1)	*(2)*	*(3)*	*(4) (2 + 3)*	*(5)*	*(6) (4 - 1)*
I. Military personnel						
1. Military observers	4 386.8	548.0	9 367.3	9 915.3	-	5 528.5
2. Military contingents	-	-	-	-	-	-
3. Other requirements pertaining to military personnel						
(a) Contingent-owned equipment	-	-	-	-	-	-
(b) Self-sustainment	-	-	-	-	-	-
(c) Death and disability compensation	32.8	10.9	79.7	90.6	-	57.8
Subtotal, line 3	**32.8**	**10.9**	**79.7**	**90.6**	**-**	**57.8**
Total, category I	**4 419.6**	**558.9**	**9 447.0**	**10 005.9**	**-**	**5 586.3**
II. Civilian personnel						
1. Civilian police	287.5	-	186.9	186.9	-	(100.6)
2. International and local staff	7 279.4	727.9	11 316.9	12 044.8	-	4 765.4
3. United Nations Volunteers	-	-	-	-	-	-
4. Government-provided personnel	-	6.4	-	6.4	-	6.4
5. Civilian electoral observers	-	-	-	-	-	-
Total, category II	**7 566.9**	**734.3**	**11 503.8**	**12 238.1**	**-**	**4 671.2**
III. Operational requirements						
1. Premises/accommodation	339.5	57.7	711.7	769.4	348.5	429.9
2. Infrastructure repairs	20.0	-	20.0	20.0	-	-
3. Transport operations	404.4	23.6	1 697.6	1 721.2	1 196.3	1 316.8
4. Air operations	1 752.7	467.3	2 881.5	3 348.8	320.5	1 596.1
5. Naval operations	-	-	-	-	-	-
6. Communications	613.6	64.8	2 303.8	2 368.6	1 546.8	1 755.0
7. Other equipment	88.4	9.3	1 209.3	1 218.6	759.0	1 130.2
8. Supplies and services	314.3	53.0	544.7	597.7	-	283.4

Category of apportionment	Original cost estimates[a] (A/53/454/Add.1)	Revised cost estimates for the period from 1 July 1999 to 30 June 2000[b]: 1 July to 31 Aug. 1999 Estimated expenditure	1 Sept. 1999 to 30 June 2000 Revised estimates	Total	Non-recurrent estimates	Additional requirements
	(1)	(2)	(3)	(4) (2 + 3)	(5)	(6) (4 - 1)
9 Air and surface freight						
(a) Transport of contingent-owned equipment	-	-	440.0	440.0	-	440.0
(b) Commercial freight and cartage	21.6	1.0	51.8	52.8	-	31.2
Subtotal, line 9	**21.6**	**1.0**	**491.8**	**492.8**	**-**	**471.2**
Total, category III	**3 554.5**	**676.7**	**9 860.4**	**10 537.1**	**4 171.1**	**6 982.6**
IV. Other programmes						
1 Election-related supplies and services	-	-	-	-	-	-
2 Public information programmes	7.2	0.3	76.5	76.8	-	69.6
3 Training programmes	12.2	-	12.2	12.2	4.0	-
4 Mine-clearing programmes	-	-	-	-	-	-
5 Assistance for disarmament and demobilization	-	-	-	-	-	-
Total, category IV	**19.4**	**0.3**	**88.7**	**89.0**	**4.0**	**69.6**
V. United Nations Logistics Base at Brindisi	-	-	-	-	-	-
VI. Support account for peacekeeping operations	-	-	-	-	-	-
VII. Staff assessment	**852.0**	**88.5**	**1 423.8**	**1 512.3**	**-**	**660.3**
Gross requirements, categories I-VII	16 412.4	2 058.7	32 323.7	34 382.4	4 175.1	17 970.0
VIII. Income from staff assessment	**(852.0)**	**(88.5)**	**(1 423.8)**	**(1 512.3)**	**-**	**(660.3)**
Net requirements, categories I-VIII	15 560.4	1 970.2	30 899.9	32 870.1	4 175.1	17 309.7
IX. Voluntary contributions in kind (budgeted)	-	-	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-	-	-
Total	**16 412.4**	**2 058.7**	**32 323.7**	**34 382.4**	**4 175.1**	**17 970.0**

[a] No provisions for the support account for peacekeeping operations or for the financing of the United Nations Logistics Base at Brindisi were required.

[b] Inclusive of $11,908,100 gross ($11,624,100 net) in commitment authority authorized by the Advisory Committee on Administrative and Budgetary Questions.

B. Distribution of gross requirements by major cost component[a]



[a] Other programmes represent less than 1 percent of total resources.

C. Supplementary information

1. The revised budget of UNOMSIL for the financial period 1999/2000 provides for the phased deployment of the additional 140 military observers up to an authorized total of 210 personnel, a second-line medical capability of 35 personnel and 5 civilian police advisers, supported by an increased staffing establishment of 110 international staff (54 Professional, 47 Field Service and 9 General Service posts) and 69 local staff. The proposed budget also reflects additional requirements for enhanced air operations support, acquisition of prefabricated office containers, transportation, communications, and electronic data-processing and other equipment, as well as for the reimbursement to the contributing Government for the second-line medical facility and medical services provided to UNOMSIL.

Military personnel

Original estimates: $4,419,600; revised estimates: $10,005,900; variance: $5,586,300

Military observers

Original estimates: $4,386,800; revised estimates: $9,915,300; variance: $5,528,500

2. The increase of $5,528,500 under the heading of military observers provides for the phased deployment of the additional 140 military observers and 20 medical personnel for the authorized strength of 210 military observers and 35 medical personnel. Revised estimates cover mission subsistence allowance ($8,914,000), emplacement and rotation travel ($960,400) and clothing and equipment allowance ($40,900). The estimate for mission subsistence allowance is based on the assumption that 10 per cent of military observers would be accommodated at the Cape Sierra Hotel and takes into account the application of a delayed deployment factor of 10 per cent. The deployment schedule of military observers is as follows:

1999										
1 July	*1 Aug.*	*3 Sep.*	*13 Sep.*	*20 Sep.*	*27 Sep.*	*4 Oct.*	*11 Oct.*	*18 Oct.*	*25 Oct.*	*26 Oct. 1999 to 30 June 2000*
53	64	85	100	107	158	170	195	220	245	245

Other requirements pertaining to military personnel

Original estimates: $32,800; revised estimates: $90,600; variance: $57,800

3. Provision of $90,600 is made for the reimbursement to Governments of payments made by them to their military personnel for death, disability, injury or illness resulting from service with UNOMSIL, based on an average payment of $40,000 calculated at 1 per cent of the average monthly strength of military personnel and civilian police advisers.

Civilian personnel

Original estimates: $7,566,900; revised estimates: $12,238,100; variance: $4,671,200

Civilian police

4. The provision of $186,900 made for 5 civilian police advisers assumes their deployment in November 1999 and covers mission subsistence allowance for 1,210 person days ($172,100), emplacement travel ($14,100) and clothing and equipment allowance ($700).

International and local staff

5. The estimates for international and local staff provide for the phased deployment of additional staff for the proposed increased staffing establishment of 110 international (54 Professional, 47 Field Service and 9 General Service posts) and 69 local staff. It is based on the 1999 standard salary costs for New York and local salary scale applicable to the Mission area and reflects the application of a projected vacancy rate of 10 per cent for international and local staff, as well as salary and common staff costs adjustments for 70 per cent of international staff classified as mission appointees. The cost estimate also provides for the hazardous duty station allowance.

6. The provision for other official travel contained in the previous report of the Secretary-General (A/53/454/Add.1, annex I, sect. C, para. 6) has been revised to include additional requirements for the travel of 5 Headquarters political and military staff members to the Mission area for meetings and consultations ($28,000). Under the Government-provided personnel heading, provision of $6,400 is made to cover travel of a senior military officer of ECOMOG (the Monitoring Group of the Economic Community of West African States (ECOWAS) to New York for official meetings and consultations.

Operational requirements

Original estimates: $3,554,500; revised estimates: $10,537,100; variance: $6,982,600

7. The increased provision of $6,982,600 under the heading of operational requirements is attributable to the expansion of UNOMSIL and includes an amount of $4,171,100 in non-recurrent requirements for the acquisition of vehicles, communications, and electronic data-processing and other equipment, for which minimal provision had been made in the original cost estimates for the financial period 1999/2000.

Premises/accommodation

8. In view of the unavailability of suitable office accommodation, provision is made for the establishment of a new Mission headquarters compound, utilizing prefabricated containers to house the substantive, administrative and military offices of UNOMSIL.

9. The provision of $769,400 includes: cost of rental of office space prior to the establishment of the new Mission headquarters and for premises at 11 team sites, excluding the mobile site ($247,400); repairs, renovations, upgrading and alterations of rented premises ($20,000); maintenance supplies ($14,300) and services ($9,800); electricity and water utilities ($36,200) and generator fuel ($92,200); and for the acquisition of 42 office containers and 3 ablution units required for the initial stages of the establishment of the Mission headquarters compound ($348,500).

Transport operations

10. The revised budget provides for the acquisition of 75 vehicles, consisting of 74 4x4 vehicles and one heavy sedan for a vehicle fleet establishment of 148 United Nations-owned vehicles ($1,176,400). Taking into account the 61 4x4 vehicles currently available at UNOMSIL and based on the standard ratio of 2.5 military observers per vehicle, 56 of the proposed new vehicles would be utilized by the additional military observers, with the remaining 18 intended to accommodate personnel of the medical unit and the additional civilian staff.

11. Provision has also been made for the rental of heavy vehicles ($27,200); acquisition of workshop equipment ($19,900); spare parts, repairs and maintenance ($218,700); petrol, oil and lubricants ($221,800); and third-party liability insurance ($57,200).

Air operations

12. The original budget of UNOMSIL provided for one medium utility MI-8 helicopter and one light passenger Beechcraft B-200 fixed-wing aircraft. Owing to the poor road infrastructure and prevailing security situation and in view of the provisional expansion of UNOMSIL, a second medium utility helicopter is required for the transport of military and civilian personnel, logistical support and supply/resupply tasking, as well as casualty and medical evacuation, if necessary. The light passenger fixed-wing aircraft is required in view of the limited availability of commercial air transportation means in the Mission area and the need for extensive travel by the Special Representative of the Secretary-General and UNOMSIL senior staff in connection with political consultations with ECOWAS member States. The B-200 aircraft would also be utilized for casualty and medical evacuation, if necessary.

13. Based on current contractual agreements, the provision of $3,348,800 made under this heading covers helicopter operations ($2,454,800), fixed-wing aircraft ($815,700), air crew subsistence allowance ($21,600) and other air operation costs ($56,700).

Communications

14. The revised provision of $2,368,600 under the heading of communications includes non-recurrent costs of $1,546,800 (as detailed in sect. C of annex II to the present report) for the acquisition of additional VHF/UHF, HF, satellite, telephone and other communications equipment as well as workshop and test equipment required to establish an expanded secure communications network in support of the deployment of additional military and civilian personnel to Freetown and 11 team sites in the field. Requirements for commercial communications cover the cost of transponder lease charges, INMARSAT, telex, telephone and pouch charges ($616,900). The resources provided under this heading also cover the requirements for communications spare parts and supplies ($204,900).

Other equipment

15. The revised provision of $1,218,600 under the heading of other equipment includes non-recurrent costs of $759,000 (as detailed in sect. C of annex II to the present report) for the acquisition of the office furniture ($87,500) and equipment ($65,600), the electronic data-processing equipment ($512,900), the accommodation equipment ($1,000) and the miscellaneous equipment ($92,000) required for a strengthened Mission headquarters and 12 team sites (including one mobile site) to accommodate the deployment of additional military and civilian personnel. Pending conclusion of a contribution agreement with a

Member State for the establishment of a second-line medical facility, provision for usage charges for medical equipment has been made at an estimated monthly rate of $50,000, based on a projected value of equipment of $1.5 million ($400,000).

Supplies and services

16. An increased provision of $597,700 has been made to cover miscellaneous supplies ($103,300) and services ($494,400). It includes the cost of reimbursement to the contributing Government for medical treatment and services provided to international personnel, based on the standard monthly self-sustainment rate of $78.75 per person ($226,800).

Air and surface freight

17. Provision of $492,800 under the heading of air and surface freight covers the charter of two IL-76 flights estimated at a total of 60 flight hours at a cost of $6,700 per hour ($402,000) and airport handling charges ($38,000) in connection with the deployment of equipment for the establishment of the second-line medical facility; the cost of freight relating to the transfer from the United Nations Logistics Base at Brindisi of five 15KVA and fifteen 5KVA generators ($12,000) and of four soft-wall warehouse units ($16,800); as well as shipping, handling and forwarding charges to and from the Mission area that have not been covered elsewhere ($24,000).

Other programmes

Original estimates: $19,400; revised estimates: $89,000; variance: $69,600

Public information programmes

18. Activities to be undertaken by the expanded public information office of UNOMSIL are outlined in the seventh report of the Secretary-General to the Security Council (S/1999/836, para. 45). Accordingly, provision of $76,800 is made for the cost of materials and supplies such as audio and video tapes, alkaline batteries and photographic supplies ($15,500) and for contractual services such as the production of radio programmes in indigenous languages and the design, printing, translation into local languages and distribution of newsletters ($61,300).

Training programmes

19. The training programme of UNOMSIL, as outlined in the previous report of the Secretary-General (A/53/454/Add.1, annex I, sect. C, para. 18), remains unchanged.

Staff assessment

Original estimates: $852,000; revised estimates: $1,512,300; variance: $660,300

20. The amount budgeted under the heading of staff assessment represents the difference between gross and net emoluments, that is, the amount of staff assessment to which United Nations staff members are subject in accordance with the Staff Regulations of the United Nations. Staff assessment costs are based on the phased deployment of a total of 110 international and 69 local staff, as indicated in section VI.C of the present report.

Income from staff assessment

Original estimates: ($852,000); revised estimates: ($1,512,300); variance: ($660,300)

21. The staff assessment requirements provided for in paragraph 20 above have been credited as income from staff assessment and will be credited to the Tax Equalization Fund established by the General Assembly in resolution 973 A (X) of 15 December 1955. Member States are given credit in the Fund in proportion to their rates of contribution to the UNOMSIL budget.

Annex II

Revised cost estimates for the period from 1 July 1999 to 30 June 2000: analysis

A. Standard and mission-specific costs

Description	Previous submission	Average strength	Proposed estimates: Standard cost	Proposed estimates: Unit or daily cost	Proposed estimates: Monthly cost	Proposed estimates: Annual cost	Explanation
			(United States dollars)				
1. Mission subsistence allowance							
Flat rate	171	-	[a]	171	-	-	Established rates for accommodation at Cape Sierra Hotel effective 1 September 1998. It is estimated that 10 per cent of international personnel will be accommodated at Cape Sierra Hotel.
	135	-	[a]	135	-	-	Established rates for accommodation other than at Cape Sierra Hotel effective 1 September 1998.
2. Travel							
Military observers	2 700	-	[a]	2 700	-	-	Inclusive of 100 kg accompanied baggage.
Civilian police	2 700	-	[a]	2 700	-	-	As above.
3. Military personnel							
Military observers	77	206	[a]	-	-	-	Average monthly strength based on the phased deployment of military observers.
4. Death and disability compensation	32 800	-	40 000	-	-	90 600	Based on average monthly strength of military observers and civilian police advisers.
5. Civilian personnel							
Civilian police	5	5	-	-	-	-	No change.
International staff	45	91	-	-	-	-	Average monthly strength based on phased deployment of international staff.
Local staff	43	63	-	-	-	-	Average monthly strength based on phased deployment of locally recruited staff.
6. Local staff							
Net salary	467	-	[a]	-	467	-	Based on salary scale in effect from 1 June 1998.
Common staff costs	117	-	[a]	-	117	-	As above.
Staff assessment	108	-	[a]	-	108	-	As above.

Description	Previous submission	Average strength	Proposed estimates: Standard cost	Proposed estimates: Unit or daily cost	Proposed estimates: Monthly cost	Proposed estimates: Annual cost	Explanation
				(United States dollars)			
7. Other travel	127 800	-	[a]	-		127 800	No change (see A/53/454/Add.1, annex I, sect. C, para. 6)
Travel from United Nations Headquarters	28 000		[a]			56 000	Reflects additional provision for the travel of 5 Headquarters political and military staff
8. Rental of premises							
Headquarters offices	2 200		[a]		-	-	No longer required in the light of the commissioning of the Mission headquarters compound
Workshop/warehouse	5 500		[a]		-	-	Soft-wall warehouse units will be utilized to accommodate Mission workshop and warehouse
Team sites (Lungi, Hastings, Port Loko and Bo)	2 000		[a]		2 500	-	Projected rental cost
Team sites (outlying regions)	2 000		[a]		2 000	-	As above
9. Maintenance supplies	1 200		-		1 400	-	Estimated average monthly cost
10. Maintenance services	400		-		500	-	As above
11. Utilities							
Electricity and water	4 900		[a]		3 000	-	Based on current rates
Generator fuel	10 260		[a]		9 224	-	Based on monthly fuel consumption of 36,894 litres at a cost of $0.25 per litre
12. Vehicles							
United Nations-owned							
Civilian pattern	74	148	[a]	-	-	-	The Mission vehicle fleet establishment will increase from the previous level of 74 to 148 vehicles with the anticipated delivery of 74 4x4 vehicles and a sedan
13. Rental of vehicles	27 200	-	[a]	-	-	27 200	No change (see A/53/454/Add.1, annex II, sect. A, item 13)
14. Spare parts and maintenance of vehicles							
United Nations-owned							
Civilian pattern	200	-	-	-	150	-	Based on average standard cost and Mission experience

Description	Previous submission	Average strength	Proposed estimates: Standard cost	Unit or daily cost	Monthly cost	Annual cost	Explanation
			(United States dollars)				
15. Petrol							
Civilian pattern	11 255	-	*	-	20 135	-	Based on fuel consumption of an average of 20 litres per vehicle per day for a total monthly fuel consumption of 80,538 litres at a cost of $0.25 per litre.
16. Vehicle lubricants	1 125	-	10% of fuel	-	2 014		Based on standard rate of 10 per cent of fuel cost.
17. Vehicle insurance							
Civilian pattern	420	-	-	-	-	420	No change.
18. Helicopters (number)							
MI-8	1	2	-	-	-	-	Deployment of a second MI-8 helicopter.
19. Monthly flying hours (each)							
MI-8	45	40	-	-	-	-	Based on current contractual agreement.
20. Monthly flying, extra hours (each)							
MI-8	30	45	-	-	-	-	As above.
21. Helicopter rental, block hours (each)							
MI-8	66 465	-	-	-	60 225	-	As above.
22. Helicopter rental, extra hours (each)							
MI-8	1 500	-	-	-	-	-	No charges for extra flight hours.
23. Helicopter fuel (each)							
MI-8	19 200	-	-	-	31 060	-	Based on average monthly fuel consumption of 83,946 litres at a cost of $0.37 per litre.
24. Helicopter lubricants (each)							
MI-8	1 920	-	10% of fuel	-	3 106	-	Based on standard rate of 10 per cent of fuel cost.
25. Helicopter insurance (each)							
MI-8	4 000	-	-	-	-	4 000	Annual cost of third-party liability insurance.
26. Fixed-wing aircraft (Number)							
B-200	1	1	-	-	-	-	No change.
27. Monthly flying hours							
B-200	30	28	-	-	-	-	Based on current contract.

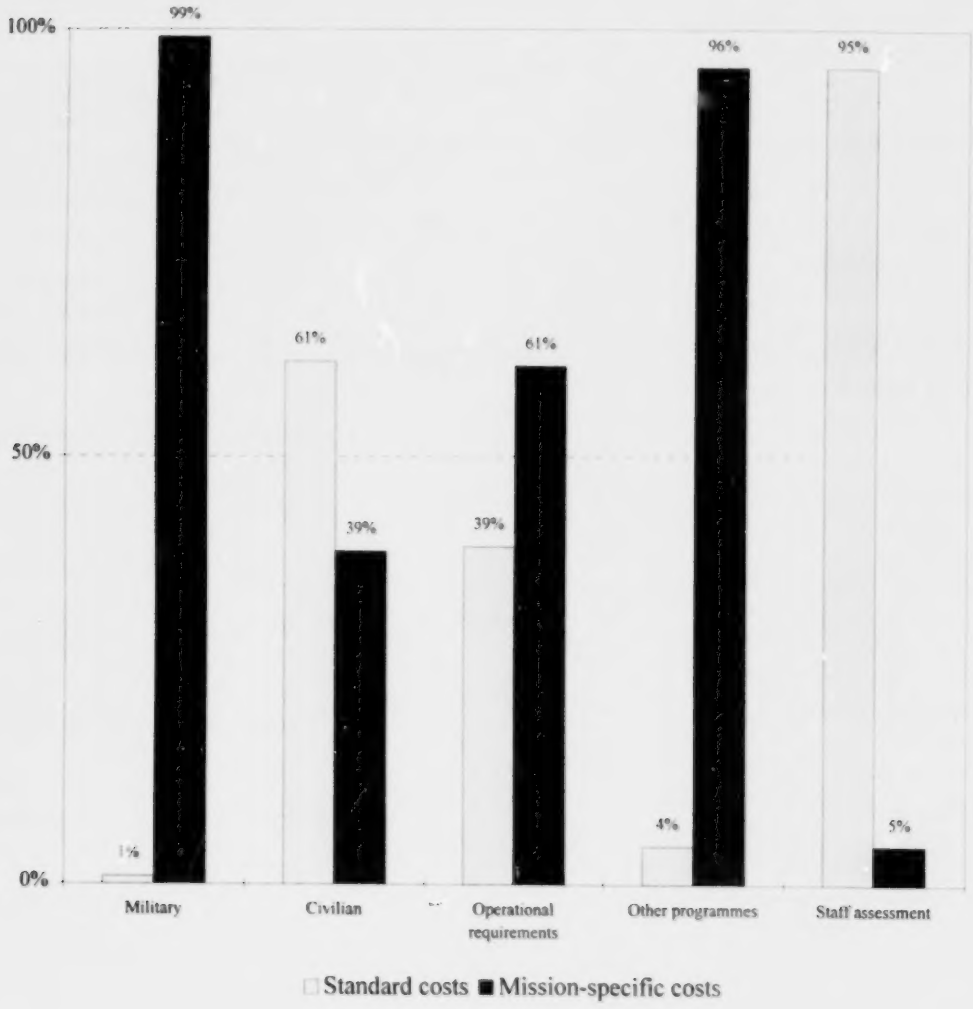
Description	Previous submission	Average strength	Proposed estimates: Standard cost	Unit or daily cost	Monthly cost	Annual cost	Explanation
			(United States dollars)				
28. Monthly flying hours, extra							
B-200	20	25	-	-	-	-	As above.
29. Fixed-wing rental, block hours							
B-200	33 000	-	-	-	43 000	-	As above.
30. Fixed-wing rental, extra hours							
B-200	12 000	-	-	-	10 000	-	Based on rate of $400 per hour.
31. Fixed-wing fuel							
B-200	5 500	-	-	-	8 611	-	Based on average monthly fuel consumption of 23,272 litres at a cost of $0.37 per litre.
32. Fixed-wing lubricants							
B-200	550	-	10% of fuel	-	861	-	Based on standard rate of 10 per cent of fuel cost.
33. Fixed-wing insurance							
B-200	4 000	-	[a]	-	-	4 000	Annual cost of third-party liability insurance.
34. Aircrew subsistence allowance	120	-	[a]	120	-	-	No change.
35. Other air operations requirements							
Air traffic control services	1 665	-	[a]	-	2 000	-	Based on projected requirements of Mission.
Ground handling	500	-	-	-	2 000	-	As above.
36. Communications spare parts and supplies	15 400	-	[a]	-	19 900	-	As above.
37. Commercial communications							
Transponder lease	7 650	-	[a]	-	21 250	-	Represents UNOMSIL share of the global contract.
INMARSAT	12 500	-	[a]	-	31 500	-	Projected usage charges.
Telephone charges	12 000	-	[a]	-	3 000	-	Based on Mission experience.
Pouch and postage charges	200	-	[a]	-	50	-	As above.
38. Other equipment spare parts, repairs and maintenance	5 500	-	[a]	-	5 600	-	Required for the maintenance of office, and miscellaneous equipment and generators.
39. External audit	43 100	-	[a]	-	-	43 100	No change.
40. Contractual services	6 000	-	[a]	-	8 700	-	Based on estimated charges for cleaning, water, delivery, daily hired personnel and handyman services.

Description	Previous submission	Average strength	Proposed estimates: Standard cost	Proposed estimates: Unit or daily cost	Proposed estimates: Monthly cost	Proposed estimates: Annual cost	Explanation
			(United States dollars)				
41. Security services	4 700	-	[a]	-	5 600	-	Security guards are required to protect Mission facilities and team sites.
42. Medical treatment and services							
Basic and first-line medical and dental services	47 500	-	28.25	-	-	-	Not required owing to introduction of second-line medical capability.
Second-line medical and dental services	-	-	78.75	-	-	226 800	Based on standard self-sustainment reimbursement rate of 78.75 per person per month for an average of 360 personnel.
Hospitalization	15 000	-	-	-	-	15 000	Based on provision of one in-patient every 4 months at $500 per day for 10 days each case.
43. Claims and adjustments	2 300	-	1	-	-	3 600	Based on standard monthly cost.
44. Official hospitality	100	-	[a]	-	100	-	No change.
45. Miscellaneous other services	2 000	-	[a]	-	3 400	-	Includes international and local bank charges and legal fees.
46. Stationery and office supplies	2 815	-	15	-	6 135	-	Based on average of 409 Mission personnel including local staff.
47. Medical supplies	200	-	28	-	-	-	Not required owing to introduction of second-line medical capability.
48. Sanitation and cleaning materials	400	-	-	-	600	-	Based on Mission experience.
49. Subscriptions	100	-	-	-	200	-	As above.
50. Electrical supplies	400	-	[a]	-	600	-	Electrical supplies, such as cables and bulbs, for the expanded facilities of the Mission.
51. Uniform, flags and decals	-	-	-	-	-	1 000	Replacement accoutrements, blue berets and United Nations decals for military observers.
52. Operational maps	1 000	-	-	-	-	2 000	Operational maps for team sites.
53. Quartermaster and general stores	400	-	-	-	1 400	-	Acquisition of supplies, such as fire extinguishers, gas cylinders, water and fuel cans and other expendable general stores.

Description	Previous submission	Average strength	Proposed estimates: Standard cost	Unit or daily cost	Monthly cost	Annual cost	Explanation
			(United States dollars)				
54. Public information programmes							
Materials and supplies	125	-	[a]	-	1 530	-	Reflects cost of video tapes, alkaline batteries and photographic materials.
Contractual services	1 145	-	[a]	-	6 120	-	Includes cost of production design, translation into local languages and printing newsletter
55. Training							
Training materials	515	-	[a]	-	515	-	No change (see A/53/454/Add.1, annex I, sect. C, para. 18).
Miscellaneous services	165	-	[a]	-	165	-	As above.

[a] No standard cost exists for this item.

B. Distribution of resources by budgetary parameter: standard and mission-specific costs



C. Non-recurrent requirements

(Thousands of United States dollars, unless otherwise indicated)

	(1) Current inventory	(2) Replacement	(3) Additional	(4) (2+3) Total number of units	(5) Unit cost	(6) (4x5) Total cost
Operational requirements						
1. Premises/accommodation						
Construction/prefabricated buildings						
Office containers, 20 ft	38	-	42	42	6.5	273.0
Ablution units	2	-	3	3	10.0	30.0
Subtotal	**40**	-	**45**	**45**		**303.0**
Freight at 15 per cent						45.5
Total, line 1	**40**	-	**45**	**45**		**348.5**
2. Transport operations						
(a) Purchase of vehicles						
Sedan, heavy	-	-	1	1	24.0	24.0
Jeep, light 4x4	61	-	74	74	13.5	999.0
Subtotal	**61**	-	**75**	**75**		**1 023.0**
Freight at 15 per cent						153.4
Total, purchase of vehicles	**61**	-	**75**	**75**		**1 176.4**
(b) Workshop equipment[a]						
Welding machine, electric	-	-	1	1	0.8	0.8
Battery charger, heavy duty	-	-	1	1	15.0	15.0
Mechanic's toolbox	-	-	3	3	0.5	1.5
Subtotal	-	-	**5**	**5**		**17.3**
Freight at 15 per cent						2.6
Total, workshop equipment	-	-	**5**	**5**		**19.9**
Total, line 2	**61**	-	**80**	**80**		**1 196.3**
3. Air operations						
(a) Helicopter operations						
Hire/charter costs						-
Aviation fuel and lubricants						-
Positioning/depositioning costs						270.0
Painting/preparation						35.0
Liability and war-risk insurance						-
Subtotal						**305.0**
(b) Fixed-wing aircraft						-
(c) Air crew subsistence allowance						-

	(1) Current inventory	(2) Replacement	(3) Additional	(4) (2 + 3) Total number of units	(5) Unit cost	(6) (4x5) Total cost
(d) Other air operations[a]						
Fuel storage containers						
Refuelling system	-	-	3	3	4.5	13.5
Freight at 15 per cent						2.0
Subtotal	-	-	**3**	**3**		**15.5**
Total, line 3						**320.5**
4. Communications						
Complementary communications						
(a) Communications equipment						
VHF/UHF equipment						
Mobile radio	25	-	50	50	0.5	25.0
Base station radio	9	-	11	11	2.0	22.0
Handie-talkie, general	157	-	193	193	0.375	72.4
Omni-directional antenna	-	-	33	33	0.4	13.2
Air-to-ground base station radio	1	-	19	19	1.7	32.3
Air-to-ground portable radio	1	-	9	9	1.0	9.0
Repeaters, secure	1	-	9	9	8.0	72.0
Digital microwave link	1	-	2	2	40.0	80.0
Subtotal	**195**	-	**326**	**326**		**325.9**
HF equipment						
Base antenna	17	-	3	3	3.0	9.0
Base transceiver (data capable)	9	-	11	11	9.0	99.0
Subtotal	**26**	-	**14**	**14**		**108.0**
Satellite equipment						
GPS receivers	2	-	18	18	0.6	10.8
INMARSAT mini M terminal	7	-	13	13	2.8	36.4
Subtotal	**9**	-	**31**	**31**		**47.2**
Telephone equipment						
Telephone exchange, medium	1	-	4	4	50.0	200.0
Secure voice communications equipment	-	-	6	6	8.0	48.0
DECT system	-	-	1	1	100.0	100.0
Telephone sets	90	-	110	110	0.08	8.8
Telephone maintenance kit	-	-	6	6	4.0	24.0
Rural telephone link, 2 lines	2	-	4	4	8.6	34.4
Subtotal	**93**	-	**131**	**131**		**415.2**

	(1) Current inventory	(2) Replacement	(3) Additional	(4) (2+3) Total number of units	(5) Unit cost	(6) (4×5) Total cost
Miscellaneous equipment						
Battery charger	20	-	10	10	0.1	1.0
Facsimile, non-secure	11	-	19	19	2.0	38.0
Portable antenna tower	-	-	10	10	5.0	50.0
Subtotal	**31**	-	**39**	**39**		**89.0**
Subtotal, communications equipment	**354**	-	**541**	**541**		**985.3**
Freight at 15 per cent						147.8
Total, communications equipment	**354**	-	**541**	**541**		**1 133.1**
(b) Workshop and test equipment						
Communications analyser	-	-	6	6	12.0	72.0
Power meter	-	-	6	6	1.5	9.0
Oscilloscope	-	-	2	2	5.0	10.0
Spectrum analyser	1	-	4	4	26.5	106.0
Data analyser	-	-	6	6	14.0	84.0
Frequency counter/power meter	-	-	6	6	8.0	48.0
Workbench	-	-	8	8	2.0	16.0
Bench power supply	1	-	5	5	1.5	7.5
Mechanic's toolbox	-	-	2	2	1.2	2.4
Technician's toolbox	-	-	6	6	0.8	4.8
Subtotal	**2**	-	**51**	**51**		**359.7**
Freight at 15 per cent						54.0
Total, workshop and test equipment	**2**	-	**51**	**51**		**413.7**
Total, line 4	**356**	-	**592**	**592**		**1 546.8**
5 Other equipment						
(a) (i) Office furniture						
Office furniture set	-	-	144	144	0.5	72.0
Subtotal	-	-	**144**	**144**		**72.0**
Freight at 15 per cent						10.8
Subtotal, office furniture	-	-	**144**	**144**		**82.8**
(ii) Miscellaneous office furniture, local purchases						4.7
Total, office furniture	-	-	**144**	**144**		**87.5**
(b) Office equipment						
Photocopier/fax/printer, combo unit	-	-	15	15	1.0	15.0
Photocopying machine (high volume)	-	-	2	2	18.0	36.0

	(1) Current inventory	(2) Replacement	(3) Additional	(4) (2+3) Total number of units	(5) Unit cost	(6) (4x5) Total cost
Safe, large	-	-	4	4	1.0	4.0
Shredder	-	-	4	4	0.5	2.0
Subtotal	-	-	**25**	**25**		**57.0**
Freight at 15 per cent						8.6
Total, office equipment	-	-	**25**	**25**		**65.6**
(c) Data-processing equipment						
Desktop computers	95	-	27	27	1.5	40.5
Portable computers	23	-	37	37	2.1	77.7
Printers (desktop)	20	-	72	72	0.5	36.0
Printers (portable)	12	-	48	48	0.2	9.6
Server (with software)	2	-	8	8	14.0	112.0
ID system	1	-	1	1	17.5	17.5
UPS 2KVA	-	-	10	10	1.0	10.0
UPS 700i	63	-	59	59	0.35	20.7
Network equipment (headquarters)	-	-	1	1	30.0	30.0
Network equipment (sector)	-	-	4	4	10.0	40.0
Lotus Notes	-	-	64	64	0.055	3.5
Network modem	-	-	10	10	0.15	1.5
Connectivity element	-	-	4	4	10.0	40.0
Subtotal	**216**	-	**345**	**345**		**439.0**
Freight at 15 per cent						65.9
Total, data-processing equipment	**216**	-	**345**	**345**		**504.9**
Administrative software						5.0
Administrative software licences						3.0
Total, line 5 (c)	**216**	-	**345**	**345**		**512.9**
(d) Miscellaneous equipment						
Air conditioners	-	-	100	100	0.8	80.0
Freight at 15 per cent						12.0
Total, line 5 (d)	-	-	**100**	**100**		**92.0**
(e) Accommodation equipment, miscellaneous local purchase						1.0
Total, line 5	**216**	-	**614**	**614**		**759.0**

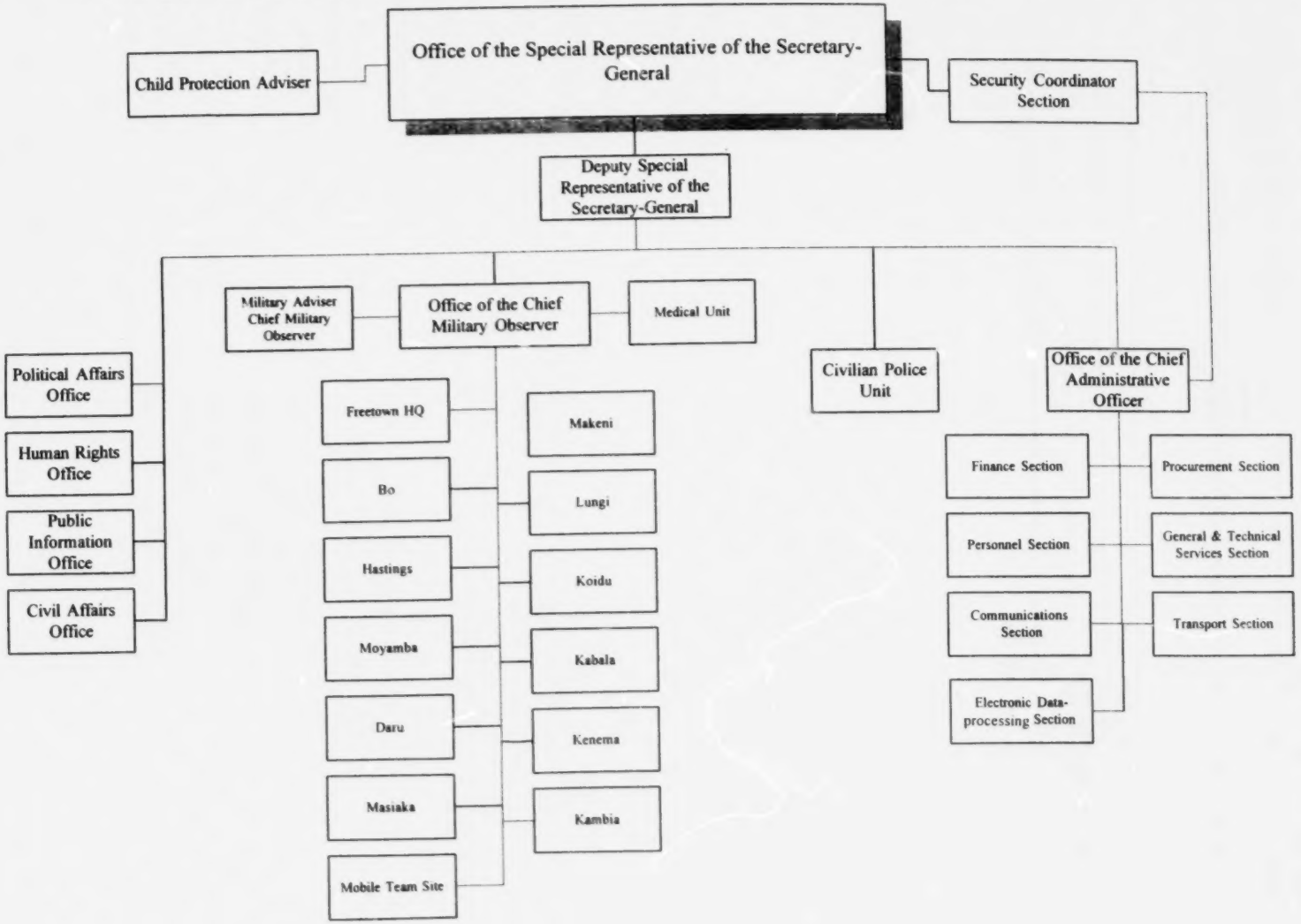
	(1) Current inventory	(2) Replacement	(3) Additional	(4) (2 + 3) Total number of units	(5) Unit cost	(6) (4x5) Total cost
6. Training programmes[a]						
LCD projector						3.5
Freight at 15 per cent						0.5
Total, training programmes						**4.0**
Total, lines 1-6						**4 175.1**

[a] Provision made in the initial budget.

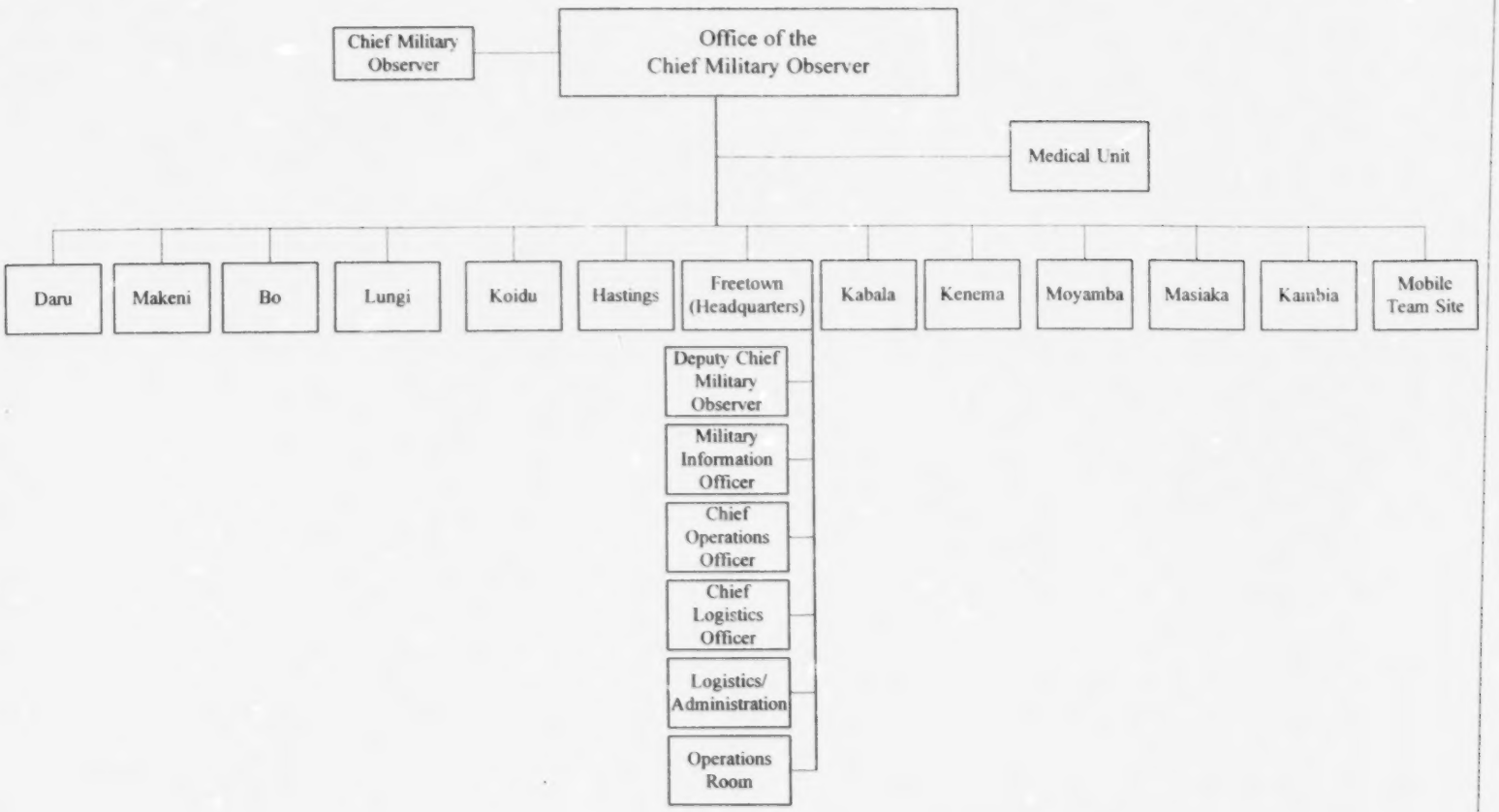
Annex III

Organizational charts

A. Organizational structure of the United Nations Observer Mission in Sierra Leone



B. Organizational structure of the military component



Annex IV

Operational map

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Fifty-fourth session
Agenda item 118
Review of the efficiency of the administrative and financial functioning of the United Nations

Results-based budgeting

Report of the Secretary-General

Summary

The present report is submitted in response to the request made by the General Assembly following its consideration of the report of the Secretary-General on results-based budgeting (A/53/500 and Add.1), and forms part of the development of reform measures proposed by the Secretary-General in his programme of reform of the United Nations (A/51/950 and Add.1-7).

Over the past 25 years, the Organization has maintained a focus on detailed input information at the budgeting stage and on quantitative output data during monitoring and evaluation. The Organization is at present mainly driven by the delivery of outputs, and is not in a position to accurately determine the effectiveness of those outputs. Results-based budgeting seeks to address the concerns and the desire for improvement expressed by Member States in this regard.

Results-based budgeting consists of a number of elements that would build on and strengthen the existing programme planning, budgeting, monitoring and evaluation framework and procedures. Such changes in the manner in which programme budgets are formulated would enable the Organization fully to utilize the potential of the budget document to serve as a policy tool and as a basis for assessing the extent to which programmes are accomplishing intended changes and benefits. Results-based budgeting does not involve an attempt to introduce the production targets that are used in the private sector or other elements that are alien to the nature of the Organization.

By focusing on expected accomplishments before, during and after budget implementation, results-based budgeting would involve an increased accountability of programme managers. To enable programme managers to effectively discharge these

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responsibilities, flexibility could be introduced through the presentation of resource requirement data in the programme budget at a more aggregate level, and through greater discretion over the use of resources within the funds allotted to each section of the budget.

The report seeks the endorsement of the General Assembly of a gradual approach to the introduction of results-based elements in the programme planning, budgeting, monitoring and evaluation cycle, in a manner that fully reflects the specific needs and characteristics of the Organization. A concrete measure proposed for approval is the inclusion, in all sections of the programme budget for the biennium 2002-2003, of performance indicators in addition to statements of objectives and expected accomplishments in a results-based framework, while maintaining the current level of detail on post and non-post requirements. Further steps envisaged by the Secretariat are: (a) the measurement, at the end of the biennium 2000-2001, of the performance of the five budget sections covered in the prototype fascicles against a limited number of expected accomplishments, using selected performance indicators; and (b) other internal measures designed to increase the knowledge of staff and to develop mechanisms and procedures that would support a gradual implementation of performance measurement as a basis for improved programme monitoring and evaluation. Such a phased approach would allow the Organization to test the feasibility of these proposals and to make adjustments where necessary.

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I. Introduction and mandate

1. One of the measures proposed by the Secretary-General in his report entitled "Renewing the United Nations: a programme for reform" (A/51/950 and Add.1-7) was to enter into a discussion with Member States on a possible shift from input accounting to results-based accountability (A/51/950, para. 46). Upon the recommendation of the Advisory Committee on Administrative and Budgetary Questions (A/53/655, para. 4), the General Assembly, in resolution 52/12 B of 19 December 1997, requested the Secretary-General to submit a more detailed report that would include a full explanation for the proposed change, and the methodology to be used, as well as a mock-up of one or more sections of the budget for consideration by the General Assembly.

2. The report of the Secretary-General on results-based budgeting (A/53/500 and Add.1) sought to meet the above-mentioned request by providing a clarification of the concept and the ways in which results-based budgeting could address current weaknesses in the budgetary process, as well as a prototype for one of the budget sections in results-based budget format. In that report, the Secretary-General sought the endorsement of the General Assembly to prepare, in addition to the programme budget for the biennium 2000-2001 in the current format, a number of budget sections in a results-based prototype format.

3. Following its consideration of the report of the Secretary-General, the Advisory Committee endorsed the above-mentioned proposal, but also recommended that the number of prototype fascicles be expanded to cover more complex budget areas such as political affairs, international cooperation for development, a regional commission and common support services (A/53/655, para. 4). The General Assembly, in its resolution 53/205 of 18 December 1998, requested the Secretary-General to submit to it, through the Advisory Committee, for consideration at its fifty-fourth session, the prototype fascicles suggested by the Advisory Committee as well as a comprehensive and analytical report on his proposal on results-based budgeting, which should include, *inter alia*, the following elements:

(a) A comparative study of present budgetary procedures and the proposed results-based budgeting, which should, *inter alia*, show very clearly the differences and similarities between the two systems;

(b) Justification for the proposed change from the present budgetary arrangements to results-based budgeting;

(c) Identification of weaknesses in present budgetary procedures and in the Administration that hinder implementation of those procedures;

(d) Identification of measures needed to improve current budgetary procedures;

(e) An indication of the regulations, procedures and information systems that should be in place if the proposal on results-based budgeting is approved by the General Assembly;

(f) Demonstration of the applicability of the concepts of results-based budgeting, including "expected results" and "performance indicators", to all sections of the programme budget of the United Nations;

(g) A sharper and clearer definition of the terms "objective", "output", "results", "performance indicator" and "performance measurement".

4. The present report* seeks to address the above-mentioned request by further describing the proposed results-based budget format, by highlighting the expected improvements over the current format and by giving further justification for the proposals. Addenda 1 through 5 to the present report contain prototype fascicles for five sections of the proposed programme budget for the biennium 2000-2001. The report concludes with a number of recommended measures that could lead to the gradual adoption of results-based elements.

5. In its resolution 53/205, the General Assembly requested the Joint Inspection Unit to undertake an analytical and comparative study of the experience of the bodies of the United Nations system that are implementing an approach similar to results-based budgeting. Where appropriate, the present report takes into consideration the results of that study (A/54/287).

II. Weaknesses in the current process

6. Member States continue to be concerned about the effectiveness of the Organization, not only in terms of efficient use of resources but also in terms of its objectives and accomplishments. Programme budgeting, introduced in 1974, was one of the measures taken to address those concerns. Nevertheless, in spite of various improvements made to the programme planning, budgeting, monitoring and

* The timing of submission of the present report is due to the fact that the resources of the Secretariat have been directed in the first place to completing the proposed programme budget for the biennium 2000-2001. Only upon completion of the proposed programme budget have resources been redirected to complete the current report and related prototypes.

evaluation process over the subsequent years, weaknesses remain, in particular in the determination of the effectiveness of the Organization.

7. The Secretary-General has, in his previous report on results-based budgeting, described many of those weaknesses and attempts made to address them, such as introducing new formats for the medium-term plan and the programme budget, as well as changes in the monitoring report and in the methodology of evaluating programmes. The fundamental issue of determining the effectiveness of the work of the Organization has, however, remained unresolved.

Programme planning and budgeting

8. At its thirty-third session, the Committee for Programme and Coordination, during its deliberations on a new format for the medium-term plan and the linkage with the programme budget, expressed the view that the programme narrative of the substantive subprogrammes should consist of clearly formulated objectives that were designed to bring about, to the extent possible, observable change.[1] An attempt was made in the medium-term plan for the period 1998-2001 to focus on objectives rather than on detailed descriptions of activities and outputs. Efforts were also made in the programme budget for the biennium 1998-1999 to formulate clear objectives during the biennium. Nevertheless, the progress achieved in this connection was limited. The observable and measurable change component remains unaddressed, since the formulation of objectives in the medium-term plan and in the proposed programme budget has not been subject to stringent formulation criteria. As a result, objectives are often formulated as ongoing activities or outputs, only capable of communicating what a programme sets out to do, not the changes that would be achieved. At other times, statements of objectives are too broad and abstract to allow a subsequent meaningful assessment of achievements.

9. In accordance with the revisions approved by the General Assembly in its resolution 53/207 of 18 December 1998, the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and Methods of Evaluation[2] (hereinafter referred to as the Regulations and Rules Governing Programme Planning) include a provision which requires the formulation of objectives and expected accomplishments in the programme budget proposal of the Secretary-General. While the proposed programme budget for the biennium 2000-2001 contains formulations of objectives, expected accomplishments, outputs and resource requirements, these elements are not clearly linked in one interrelated programme framework and are not sufficiently defined in terms of their relationship to each other.[3] This hampers the formulation of a logically coherent programme that could serve as a basis for the monitoring of implementation.

Monitoring and evaluation

10. The current system for monitoring programme performance involves a quantitative assessment of the extent to which the Secretary-General has delivered the outputs that were programmed in the budget. This assessment provides an indication of which outputs were delivered but does not provide information on the effects that the production of outputs had on the objectives addressed. Moreover, such reporting is not capable of showing the quality of those outputs.

11. The shortcomings of the current system of monitoring and reporting of programme performance have repeatedly been recognized by Member States. The Advisory Committee, when it reviewed the programme performance report for the biennium 1988-1989, indicated that the report did not assess the quality or relevance of the outputs produced, and it expressed the belief that issuance of further programme performance reports should be suspended pending a resolution of the underlying methodological difficulties (A/45/617, paras. 22-23). The Committee for Programme and Coordination, at its thirty-first session, expressed the view that the biennial programme performance report should provide, *inter alia*, information that would facilitate the identification by Member States of outdated and inefficient activities and reformulation of programmes in the light of newly identified objectives; the Committee also recommended that a system of responsibility and accountability of programme managers be established.[4] At its thirty-third session, the Committee, in its deliberations on the new format of the medium-term plan, recommended that the programme and budget performance reports detail the achievements relative to the objectives of the programme framework of the plan and the resources of the programme budget.[5] At its thirty-eighth session, the Committee concluded that more emphasis should be placed on qualitative analysis to reflect achievements in implementing programme activities, and recognized the need to monitor and evaluate the quality of performance.[6]

12. Also at its thirty-eighth session, the Committee for Programme and Coordination expressed itself in similar

terms on evaluation issues, stressing the importance and necessity of further improving and integrating evaluation into the cycle of programme planning, budgeting and monitoring with a view to improving and strengthening programme formulation and implementation.[7] Evaluation studies, as currently presented to the Committee, are primarily management-oriented, with recommendations focusing, among others, on needs assessment, programme design, problem solving, quality of outputs, timeliness and requirements of end-users.

13. Since expected results are not currently articulated at the outset of the budgetary process, evaluation studies cannot easily address the question of whether or not intended results were achieved. In other words, the design of the evaluation component of the planning, programming, budgeting, monitoring and evaluation process does not enable a determination of the relevance and effectiveness of mandated programmes and activities against that which was intended at the time the programme was formulated.

14. Concerns about this deficiency can be traced back to an analysis of programming and evaluation conducted by the Joint Inspection Unit in 1978. At the time, the Joint Inspection Unit recommended that descriptions of objectives of subprogrammes in programming documents should follow a format that enabled the expected results to be clearly identified and that time-limited objectives should, as far as possible, be the rule (A/33/226, chap. VII, recommendations 1 (a) and (c)). In addition, the Joint Inspection Unit recommended that achievement indicators forming an integral part of the description of each subprogramme should be established according to type of objective and type of user (A/33/226, chap. VII, recommendation 6 (b)).

15. The concept of such indicators is also contained in the Regulations and Rules Governing Programme Planning and is defined in the glossary of terms pertaining to the Regulations[8] as follows:

> "Indicators are measures of the results or changes that an activity is intended to produce. They are designed to provide an objective and specific scale against which the activity's progress towards its objectives, the actual achievement of its objectives and the impact of such achievement can be determined."

16. Article VII of the Regulations provides that one of the objectives of evaluation is to determine, *inter alia*, the impact of the Organization's activities in relation to their objectives, while the associated rule 107.1 (b) requires that evaluation should utilize baseline data and indicators of progress accomplishment to assess programme impact. Nevertheless, this concept has not been applied in practice, perhaps because there is at present no requirement to provide information regarding performance indicators in the programme budget proposals. At present, indicators are more commonly used in programme budget presentations to refer to output productivity or workload statistics.

17. Subsequent to the recommendations of the Committee on Programme and Coordination at its thirty-eighth session, the General Assembly, in resolution 53/207, requested the Secretary-General to submit proposals, for consideration by the Committee on Programme and Coordination at its thirty-ninth session, on ways in which the full implementation and quality of mandated programmes and activities could be ensured and could be better assessed by and reported to Member States. The report submitted in response to that request (A/54/117) indicates that the first two steps toward incorporating a qualitative dimension into the programme performance monitoring system would be specification of the expected outcomes in the programme budget proposal and the establishment of a connection between outputs and outcomes.

Focus on input control

18. The shift from input budgeting to programme budgeting was initiated in 1974 in order to provide Member States with a full description of the activities of each organizational unit of the Secretariat and of the resources required for the delivery of outputs. Even at that time, an attempt was made to provide a description of programmes and of their components, their legislative basis and their objectives, as well as an indication of accomplishments to date and of future goals. This has not, however, led to a reduced focus on input control at a detailed level. The programme budget has continued to focus attention on inputs, providing detailed specifications of the number and grade levels of personnel and distinct categories of non-post objects of expenditure. While such detailed attention to input may enforce a measure of discipline upon programme managers with respect to expenditures, it does not enable Member States to determine whether or not the programme outputs are effective in meeting the objectives of the programme. Moreover, the rigidity with which funds may be spent is a feature of input budgeting that gives little discretionary authority to programme managers, during the course of implementation, allowing adaptation in a timely manner to changing needs and conditions during the course of the biennium. The determination of the effectiveness of programmes has continued to receive less attention than the detailed line items of expenditure at the input level.

Focus on output delivery

19. The Organization is at present mainly driven by the delivery of outputs and does not focus on determining the continued relevance and effectiveness of those outputs. This is owing, in part, to a lack of understanding of the need to link the various components of a programme budget as parts of a coherent framework. The link between objectives and outputs has been weak. Moreover, the link between objectives or expected accomplishments and performance indicators has not been firmly established. Just as Member States tend to focus on input control, programme managers have focused on output delivery, with the result that the determination of expected accomplishments has been largely ignored. The current monitoring system has compelled programme managers to focus on output delivery by reporting on the number of outputs delivered, reformulated, postponed or terminated against what was programmed. In this connection, the Office of Internal Oversight Services, in response to the concerns of Member States, has instructed programme managers to report on the qualitative aspects of programme implementation for the report on programme performance for the biennium 1998-1999, which is to be submitted to the General Assembly through the Committee for Programme and Coordination.

20. In summary, the weaknesses of the current arrangements may be enumerated as follows:

(a) There is a lack of a coherent programming framework in which objectives, expected accomplishments, outputs and resource requirements are firmly defined in relation to each other, and in which criteria are provided to formulate objectives and expected accomplishments that show observable change;

(b) The lack of such a framework and of the use of performance indicators precludes the determination of the results, relevance and effectiveness of programmes;

(c) The rigid focus on input control (at the outset of the budgetary cycle) and on output delivery (during and after the cycle) draws attention away from the intended changes or benefits resulting from United Nations programmes.

III. Outline of results-based budgeting

21. While concepts such as "results", "achievements" and "indicators" are not new in the programme planning, budgeting, monitoring and evaluation process, they have generally been applied only, if at all, during and after the implementation of the Organization's work programme. Results-based budgeting would require that they are applied at the beginning of the programme planning cycle, that is, during the formulation of the programme budget. This would compel programme managers to design programmes that looked beyond output delivery to results to be achieved. Results-based budgeting is thereby a management tool for programme managers to take the most appropriate course of action and to make the most effective use of resources during the implementation stage of the programme budget.

22. The importance of the budget document for the determination of the effectiveness of the work of the Organization cannot be overemphasized. The budget document is a powerful tool for determining not only the resource requirements but also the direction of the Organization, the work to be carried out and the results to be achieved. Results-based budgeting, therefore, is a measure to address the above-mentioned weaknesses of the current process.

23. As stated in the previous report of the Secretary-General on results-based budgeting (A/53/500 and Add.1), there is not a single true model for results-based budgeting, or a model in existence that could be applied directly to the United Nations. The current proposal is therefore based on a careful assessment of what a system should be if it were to address the needs and characteristics of the Organization.

24. Against the background of the weaknesses outlined in the section above, the aims of results-based budgeting are as follows:

(a) To increase the capacity of Member States to focus on the policy implications of funds to be expended;

(b) To enable Member States to assess the effectiveness, impact and relevance of programmes in terms of the achievement of actual results, thereby addressing concerns over a lack of qualitative assessment of programme delivery;

(c) To improve the design of programmes and to ensure that the Secretariat will work towards achieving results (in the sense of changes and benefits to end-users and beneficiaries) and not only towards producing outputs or implementing activities;

(d) To enhance the management capacity of both the General Assembly and the Secretariat with regard to ensuring effective programme implementation;

(e) To help to determine the most appropriate use of resources.

25. The previous report of the Secretary-General, in describing how these aims could be achieved, indicated that

results-based budgeting was understood to mean an improved planning, programming, budgeting, monitoring and evaluation process, by which the Secretariat would be held accountable for achieving results since: (a) the proposed programme budget would be formulated around a set of predefined objectives and expected results; (b) expected results would justify resource requirements that would be derived from and linked to the outputs required to achieve such results; and (c) actual performance in achieving results would be measured by objective performance indicators.

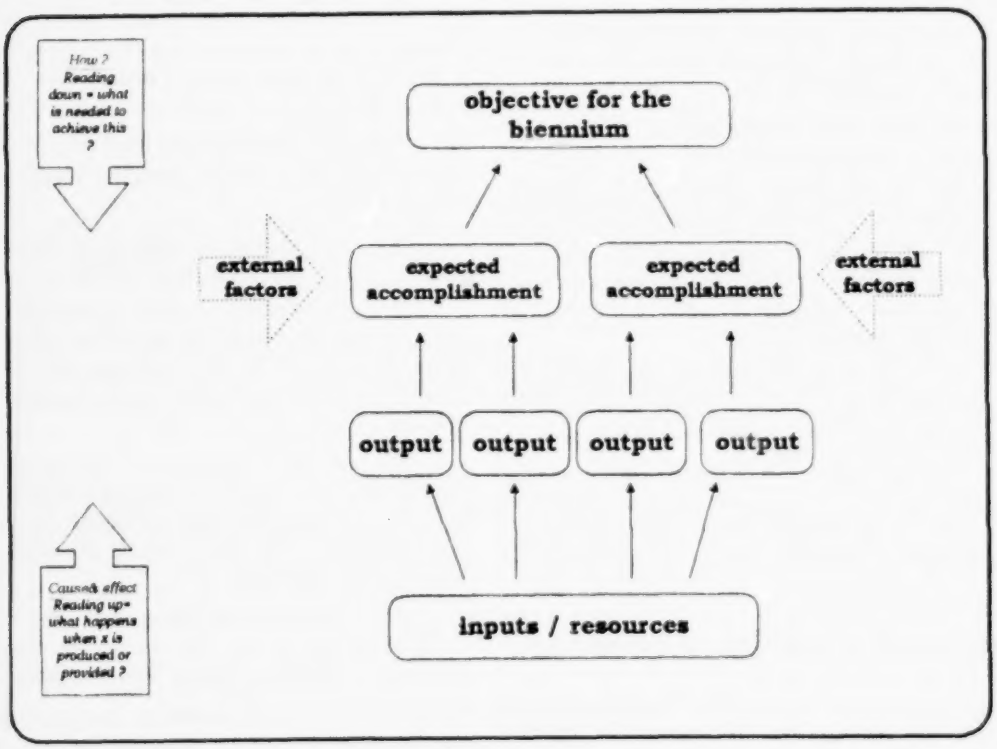
26. The above description of results-based budgeting is based on two core ingredients which are elaborated below: a logical framework for formulating the programme budget, and a mechanism to induce results-oriented accountability and flexibility.

Programme budget preparation: logical framework

27. The budget document is a powerful instrument for determining the direction of the Organization, the work to be carried out and the results to be achieved. To formulate the programme budget, a logical framework can be used to ensure that all elements are included by programme managers in the design of the programme budget.

28. The logical framework is a conceptual tool which requires programme managers to design the elements of the programme budget in one coherent and interrelated structure, with a hierarchical cause-and-effect relationship among each of the elements. As indicated above, most of these elements are not new but they have not been applied consistently in the past and have not been defined in relation to each other. A graphic representation of a logical framework is provided in the figure below.

The logical framework



29. From the top down, the logical framework consists of objectives for the biennium, expected accomplishments, outputs and inputs. Starting with the objectives and reading down, the logical framework should indicate the necessary conditions for producing each element (i.e., in order to fulfil the objectives, the programme should achieve its expected accomplishments; in order to achieve the desired accomplishments, the specified outputs need to be produced etc.). Conversely, reading from the bottom up, each of the elements or layers of this framework should indicate what would happen if that element were produced or achieved (i.e., if the required inputs are provided, then the programme would be able to produce the specified outputs; if the programme produces the outputs, then it would be able to achieve the desired accomplishments etc.). In effect, this framework requires programme managers to go beyond a description of the activities and articulate why they would be implementing these activities.

30. The previous report of the Secretary-General on results-based budgeting focused on the term "expected results". As described in paragraphs 67 and 68 of the present report, however, there is no inherent difference between the term "expected result" and the term "expected accomplishment", approved by the General Assembly in section III of resolution 53/207 of 18 December 1998 as part of revisions to the Regulations and Rules Governing Programme Planning. Given the similarity between the two terms, and in order to maintain conformity with the Regulations and Rules Governing Programme Planning, the approach of the present report is to use the term "expected accomplishment" rather than "expected results". This does not affect the nature of results-based budgeting, as described in the present and previous reports.

31. Also included in the logical framework are the performance indicators, which are those features or characteristics that would be used to measure whether the expected accomplishments have been achieved. The direct link between the performance indicators and the expected accomplishments is an extremely important element in achieving a shift to a results-oriented programme budget.

32. Underlying this framework are a number of conditions which have to be met in order for the programme to succeed in bringing about the expected accomplishments but which are beyond the control of the programme. In other words, the logical framework recognizes that, in addition to the outputs of United Nations programmes, there are other, external factors which could either enable or obstruct the achievement of the expected accomplishments. Consequently, a results-based budget also requires the identification of significant external factors which may impact on the achievement of the expected accomplishments. Not only does this clarify the transparency of the programme design, but it also serves to ensure that programme managers are only held accountable for results that are within their control.

33. In its study of the experience of other bodies in the United Nations system with results-based techniques, the Joint Inspection Unit examined concerns expressed regarding the influence of external factors and ways in which such factors could be taken into account when determining the responsibility of programme managers (A/54/287, paras. 58-62). As mentioned above, the approach proposed in the present report is fully to incorporate significant external factors into the logical framework design and to require programme managers to identify and articulate these at the outset of the budgetary cycle. These external factors, and any unforeseen influences that may prove to have an impact on the results, would subsequently be taken into account when reporting on accomplishments at the end of the biennium. Other approaches mentioned in the report of the Joint Inspection Unit include the closer involvement of the Organization's constituents in the formulation of programme budget proposals. This approach is, in fact, already followed, as the programme planning and budget process of the United Nations provides for the full involvement of Member States.

34. The definitions of the elements of this framework are provided in the glossary of terms contained in annex I to the present report. An attempt has been made to provide, as requested by the General Assembly, a clearer definition of the terms "objective" and "expected accomplishment". In addition, annex II provides more detailed guidelines for the formulation of these terms.

35. A clear distinction can and should be made between expected accomplishments and outputs. The outputs of the Organization are the products or the services that it provides. Expected accomplishments, on the other hand, are the effects of, or changes brought about by, these services or products, leading to the fulfilment of the objectives. The term "expected accomplishments" does not imply, and is not equivalent to, production targets used in the commercial sector; it does not mean that a greater number of outputs are equivalent to a better result.

36. Within the logical framework, the function that each of the elements will have in relation to one another is as important as their definition. The logical framework requires that objectives and expected accomplishments be set at the right level, bearing in mind the nature of the work of the Organization, as well as the time-frame in which it intends

to undertake activities. Objectives should not be too ambitious (such as stating that the Organization will eradicate poverty or eliminate discrimination against women within a biennium) or too unambitious (such as indicating that the Organization will merely prepare information brochures, which is in fact an activity).

37. It is recognized that, in practice, the formulation of objectives and expected accomplishments will be difficult, in particular given the fact that both terms convey the meaning of a desired outcome or achievement and may appear to be indistinguishable. Annex II to the present report contains a number of suggested criteria and guidelines for formulating objectives and expected accomplishments, which would be used to guide programme managers. These guidelines will have to be tested in practice and adjusted as the Organization acquires more experience in formulating results-based components.

Budget implementation, monitoring and evaluation

38. The monitoring and evaluation of programme performance will take the form of an assessment of the extent to which expected accomplishments have been realized. Since performance indicators will be linked to expected accomplishments as formulated in the programme budget, monitoring and evaluation will be fully incorporated in the budgetary process, as envisaged in the Regulations and Rules Governing Programme Planning.

39. The results-based budgeting proposal entails that, within six months of the end of the budget period, programme managers will report on the accomplishments achieved, based on measurements using the performance indicators. To do this, programme managers will be required to monitor and evaluate their work throughout the biennium. The report on accomplishments will be submitted to the Committee for Programme and Coordination and to the Advisory Committee on Administrative and Budgetary Questions. The current report on programme performance, involving quantitative assessment of the delivery of outputs, can eventually be integrated into the report on accomplishments, together with information on expenditures. This will give a comprehensive overview and analysis of the accomplishments achieved, the outputs delivered and the resources utilized to achieve the accomplishments.

40. The report on accomplishments will be used to increase the accountability of programme managers in the implementation of the programmes. The report would also provide feedback to programme managers for the improvement of programme design, for the achievement of a better understanding of the needs of end-users and for managing strategically.

41. To enable programme managers to manage strategically and to discharge their increased responsibilities for achieving results, the programme budget document will be structured in a way that will facilitate focusing on the achievement of accomplishments. First, the quantity of input data in the programme budget will be reduced, allowing Member States to shift their concentration on *ex ante* controls and highly itemized inputs to the policy implications of mandated programmes. Second, during budget implementation, programme managers would be given greater flexibility in managing inputs, while maintaining allotted funds strictly within the section provisions approved by the General Assembly and fully respecting staffing table limitations.

42. At present, with little discretion to optimize the mix of resources during budget implementation, programme managers are not empowered to be innovative, proactive or responsive to change. A release of some of the present constraints, within approved overall budgetary provisions and established regulations and rules, would allow programme managers to take corrective action in the course of programme implementation and to focus on how best to achieve results. Delegation of authority in terms of line-item expenditure would not imply abrogation of responsibility at the centre, or a relaxation of discipline, but would be a measure for the facilitation of decision-making, within established regulations and rules, at the programme or budget section level.

43. Accountability under results-based budgeting does not imply that, if results have not been achieved as expected, resources should necessarily be cut. It is neutral insofar as increases or reductions in budgets or staff. Provided the framework has been designed in a coherent fashion, the performance measurement vis-à-vis expected accomplishments has the potential to show why the expected accomplishments were not achieved, allowing Member States and programme managers to translate those shortcomings into improved programme design for the ensuing bienniums. Such feedback could reveal, for example, that significant external factors precluded the outputs producing the intended result, or even that insufficient outputs and associated resources had been budgeted.

IV. Prototype fascicles

44. The addenda to the present report contain the full prototype fascicles in a results-based format for five sections of the programme budget for the biennium 2000-2001. To allow a comparison of the regular and prototype fascicles, the prototypes have been prepared on the basis of the regular fascicles of the following sections: section 3, Political affairs; section 11A, Trade and development; section 15, International drug control; section 18, Economic development in Europe; and section 27B, Office of Programme Planning, Budget and Accounts.

45. The prototype fascicles are formulated within the framework of the medium-term plan for the period 1998-2001 and contain levels of resource requirements identical to those in the proposed programme budget for the biennium 2000-2001. They have been prepared for illustrative purposes, to demonstrate the applicability of results-based budgeting concepts and terminology to the United Nations. In order to ensure consistency, an effort has been made to derive the objectives and expected accomplishments from the regular fascicle. Consequently, the programmatic elements of the prototypes are not wholly new and have not been established from the top down, as one would do when following the logical framework. This also means that, in some cases, results-based formulation requirements have not been strictly followed in order to maintain consistency with the regular fascicle. For example, not all of the objectives are specific to a particular biennium or are designed to bring about change in the one biennium.

46. In keeping with the thrust to change the emphasis from an input-based orientation to one that is results-based, the prototypes follow a suggested pattern for presenting less input data, and contain a number of new and modified elements. For example, tables showing detailed resource requirements are presented in an annex. Overall, however, the prototypes are to a large extent similar to the current format. While results-based budgeting does aim to reduce the level of detail of input information, this is only one way of showing such information in the budget document, and further adjustments may be made to improve the presentation.

New elements

47. The core programmatic element will be the statement of objectives for the biennium, expected accomplishments and performance indicators, formulated within a logical framework and presented in one table so as to demonstrate and ensure the linkages among them. In addition, significant external factors and end-users or beneficiaries of the programme will be identified. These statements will be applied to the programme of work and programme support components.

48. As indicated in paragraph 30 above, the present report and prototypes refer to "expected accomplishments", rather than the term used in the previous report of the Secretary-General, namely, "expected results". A discussion of the two terms is provided in paragraphs 67 and 68 below. The term "expected accomplishments" is, in fact, not a new element, since it was included in the proposed programme budget for the biennium 2000-2001, in accordance with the Regulations and Rules Governing Programme Planning. In preparing the prototypes, however, an attempt has been made to formulate expected accomplishments following the initial attempts made in the proposed programme budget for the biennium 2000-2001. Consequently, the expected accomplishments in the prototype fascicles are generally different from those in the regular fascicle.

49. A consistent application of the logical framework to the programme support component of the programme budget will require that outputs also be identified. Outputs are not currently listed for the programme support component of the regular fascicles. Therefore, while an effort has been made to identify generic outputs under programme support, outputs cannot always be quantified at the present stage and may need to be adjusted in subsequent phases.

Modified elements: resource requirements (post and non-post)

50. In the overview of each budget section, resource requirements will be presented at a more aggregate level, showing requirements only at the level of components for the regular budget (i.e., executive direction and management, programme of work etc.) and including one entry for extrabudgetary resources. Post requirements would be identified by only five levels: Under-Secretary-General (USG), Assistant Secretary-General (ASG), Director (D-1/D-2), Professional staff (P-1/P-5) and all categories of General Service staff.

51. For each of the components and subprogrammes, the prototypes show summaries of resource requirements in a simplified format, namely, at the level of two broad categories: post and non-post requirements.

52. Information on an indicative distribution of resource requirements by object of expenditure and on post

requirements for all categories (at the current level of detail) will be provided as supplementary material to the fascicles. This information, contained in annexes to each of the budget sections, will allow scrutiny of resource requirements at the level of detail that is done at present. Such annexes may also be gradually formulated at a more aggregate level when results-based elements prove to be useful in practice.

53. Except for a number of the tables and narratives currently contained in the fascicles being shifted to the annex, the structure of each budget section will follow the current pattern (i.e., an overview followed by the components: executive direction and management, programme of work etc.). Other elements that would not be modified include the narrative of the section overview, the introduction to the components and subprogrammes and the list of outputs for each subprogramme.

V. Summary of differences between the current and proposed budgetary processes

54. The differences between the current and a results-based budgetary process — were the latter to be fully implemented as envisaged in the present report — are summarized below. Other aspects of the budgetary process and the budget document will remain unchanged.

Budget preparation and the budget document

55. Each section of a results-based budget will contain a statement of objectives, expected accomplishments and performance indicators, as well as significant external factors that can impact on the achievement of accomplishments and the identification of end-users or beneficiaries of the outputs. Underlying these statements will be a logical framework, which will link the elements in a hierarchically structured way. Through the formulation of performance indicators and the link with outputs, the focus of the budget document will be on expected accomplishments. Detailed input data in the fascicle will be reduced but will be provided in an annex. In effect, all information currently provided in the budget document will still be available for the review of the programme budget proposal.

Budget methodology

56. The introduction of results-based budget elements will have no impact on any other aspects of budget methodology, such as the calculation of currency movements, inflationary adjustments and the application of vacancy rates.

Review and approval process

57. Results-based budgeting will ideally lead to a change in the approach to reviewing programme budgets, since the focus will be on approving the expected accomplishments, as derived from the objectives, and the corresponding performance indicators.

58. The primacy of the General Assembly as the budgetary authority of the Organization will not be affected, or will the role of the Advisory Committee in budgetary review. The Committee for Programme and Coordination is expected to acquire an enhanced role in the review of the more elaborate programmatic aspects of the budget and in the assessment of the impact and quality of programmes.

59. The principles of the decision-making process with respect to the programme budget, as adopted by the General Assembly in resolution 41/213 of 19 December 1986, will not be changed: decisions will continue to be reached on the basis of consensus.

Implementation of the budget and budgetary control

60. Programme managers will be granted greater authority and discretion over the use of resources, with less-detailed internal restrictions on input control. This will be achieved by more flexible allotments, but strictly in accordance with the Financial Regulations and Rules of the United Nations and staffing table limits. This will facilitate a timely and effective response by programme managers to unanticipated changes in the course of the biennium, while bearing in mind the accomplishments to be achieved.

Monitoring and evaluation

61. Significant differences will occur in the way the performance of the Organization is assessed. Programme performance will be measured on the basis of performance indicators, and will show the extent to which expected accomplishments have been achieved, instead of the number

of outputs produced. It is expected that the monitoring of outputs will, at least initially, continue to be of relevance to both Member States and programme managers. The current process of reporting on programme performance (i.e., counting outputs) could therefore serve as supplementary information to the report on accomplishments. Ideally, the two forms of performance measurement (outputs and accomplishments) will be combined in one report together with related financial information.

62. With results-based performance measurement, the current separation between monitoring and evaluation will be decreased, since it will cover both the implementation of the programme budget against expected accomplishments (similar to the current monitoring process) and the effectiveness and impact of programmes (similar to evaluation).

63. Current forms of evaluation (including self-evaluation, the thematic and project evaluations conducted by the Office of Internal Oversight Services, identification of major users and use made of output and services etc.), will either be incorporated in results-based programme performance measurement or will continue to be relevant as independent forms of evaluation, as will external and internal auditing mechanisms.

VI. Conditions for implementing results-based budgeting elements

64. Outlined below are the procedures and mechanisms that should be in place if results-based budgeting is to be implemented in a gradual fashion. Overall, only minimal adjustments to the current regime will be required.

Regulatory framework

65. The objectives and expected accomplishments for each biennium will be formulated within the context of the principal policy document of the Organization, the medium-term plan, with the objectives to be achieved during a biennium contributing to the achievement of the objectives at the end of the medium-term plan period of four years. In general, this would be facilitated if the objectives in the medium-term plan were to be formulated more clearly than is the case at present. Since objectives in the current medium-term plan for the period 1998-2001 are not always formulated in a way that could show observable change (and are sometimes formulated as activities), more stringent drafting of objectives in the medium-term plan may be needed in the future.

66. It is proposed in paragraph 85 below that the Organization continue with the gradual introduction of results-based budgeting elements and that all sections of the proposed programme budget for the biennium 2002-2003 contain statements of objectives, expected accomplishments and performance indicators. Consequently, greater care and precision in formulating objectives will need to be observed by the Secretary-General starting with the proposed medium-term plan for the period 2002-2005.

67. The term "expected accomplishments", adopted in the context of revisions to the Regulations and Rules Governing Programme Planning in December 1998, was not defined when it was adopted. Nevertheless, the everyday meaning of the word "accomplishment", its intended application in the programme budget, and its relation to the word "objectives", would seem to indicate that it is virtually equivalent to the concept of "expected result", namely, a concrete target within an overarching objective, involving benefits or changes to end-user or beneficiaries, reached through the production of outputs.[9]

68. The proposal to introduce results-based budgeting does not rely on any particular terminology. It is immaterial whether use is made of the words "results", "accomplishments" or "outcomes", as long as such terms fulfil the same function in a logical framework vis-à-vis objectives and outputs, and follow the same formulation criteria. As indicated in paragraph 30 above, in order to maintain consistency with the Regulations and Rules Governing Programme Planning, the present report uses the term "expected accomplishments". Moreover, it is proposed that, if results-based budgeting elements are to be adopted by the General Assembly, the Organization should use the term "expected accomplishments" in accordance with the Regulations and Rules Governing Programme Planning, rather than adopt a new term such as "expected results" since it is not inherently different from expected accomplishments.

69. It has been pointed out that the Regulations and Rules Governing Programme Planning contain provisions relating to such results-based budgeting concepts as objectives and performance indicators. Results-based budgeting builds on and consolidates existing provisions and concepts that already point toward a results-orientation. Moreover, there are no provisions in the Financial Regulations and Rules or the Regulations and Rules Governing Programme Planning that preclude the possibility of introducing results-based budgeting elements at the United Nations. It will not be necessary at the present stage to adopt modifications to the

regulations and rules at a time when the Organization is still in a learning process. Only practical experience can reveal the kind of adjustments, if any, required. In this context, it may be recalled that 13 years elapsed between the introduction of programme budgeting and the adoption of corresponding adjustments in the regulations and rules of the United Nations. Consequently, no change to the regulatory framework is proposed or required at the present time for the introduction of results-based elements.

Mechanisms for accountability

70. As described throughout the present report, results-based budgeting will lead to an increased accountability by the Secretariat and by individual programme managers in achieving results. The mere a priori formulation and *post facto* assessment of results, however, is not sufficient to accomplish this. Procedures need to be established to incorporate the information that a results-based performance measurement will yield. The existing system of management authority and responsibility, including the performance appraisal system, will also need to be responsive.

Information systems

71. A stage-by-stage approach will need to be taken with regard to information systems. For the moment, existing processes for gathering, analysing and presenting monitoring and evaluation data will be used. The generation of results data through the use of the performance indicators contained in the prototype fascicles will place the Secretariat in a better position to identify its information system needs.

72. With respect to financial data to be accumulated during programme implementation, no changes are presently envisaged. Unless determined otherwise by the General Assembly, current levels of detail on resource information will be maintained in the programme budget for the biennium 2002-2003, and expenditure and budgetary monitoring will continue to use current information systems. Consequently, the ongoing implementation of the Integrated Management Information System will not be affected by the gradual introduction of results-based budgeting. In future stages, when Member States and the Secretariat have acquired sufficient confidence and experience in results-based budgeting and Member States agree to allow more flexibility in resource presentation and management, adjustments to information systems may be needed.

Knowledge and skills of staff

73. Results-based budgeting has the capacity to affect the work of numerous staff, not just programme managers. It is therefore important to have staff involved in planning, implementing, monitoring and evaluating programmes learn to incorporate results-based budgeting concepts and tools in their work. Briefing and training opportunities for all such staff will need to be provided.

VII. Measures to introduce results-based budgeting elements

74. Further experience and knowledge must be built up before a new budget format can be applied in a comprehensive way. There is a need to develop skills on how to use the tools that results-based budgeting provides and to produce feedback on performance. Moreover, the dialogue between Member States and the Secretariat on the usefulness of such new elements will be kept open at all times in order to allow adjustments to be made whenever necessary and to optimize the applicability of results-based budgeting to the Organization. It is therefore envisaged that the Secretariat will proceed with the gradual testing and development of a number of elements of results-based budgeting, which can be broken down into three series of measures or activities, and will report thereon on a regular basis so as to enable Member States to assess whether such new elements can lead to meaningful change.

75. The first set of measures will be to assess the performance of the sections presented in prototype format in the addenda to the present report, on the basis of a number of selected expected accomplishments and corresponding performance indicators. The information that such assessment would yield will be presented, in the form of a prototype report on accomplishments, through the Advisory Committee on Administrative and Budgetary Questions, and the Committee for Programme and Coordination, to the General Assembly for consideration. That prototype report should be produced in time for the General Assembly to take into account when considering the proposed programme budget for the biennium 2002-2003 at its fifty-sixth session. Consequently, measurement by the Secretariat will need to start at the end of 2000, halfway into the biennium. This will differ from the regular timing of the report on accomplishments described in the present report, which will be at the end of the biennium, as is currently the case for the report on programme performance.

76. The assessment will show to which extent the expected accomplishments have been achieved. However, although the objectives and expected accomplishments are formulated within the context of existing mandates and are generally compatible with the regular programme budget, they are part of the prototype documents and, as such, will not constitute the formally approved programmatic translation of legislative mandates. Nevertheless, the proposal to undertake measurement is made to permit testing of the format of the report on accomplishments.

77. The second series of measures, which will require the approval of the General Assembly, will be to include in all sections of the programme budget for the biennium 2002-2003 a statement of objectives, expected accomplishments (rather than expected results) and performance indicators in one logical framework, as set out in the present report and its addenda, while maintaining the current level of detail with respect to resource requirements. As elaborated in the present report, no prior changes to the relevant regulations and rules of the United Nations would be required. Expected accomplishments will be incorporated in the results-based budget framework of elements. If the General Assembly approves this proposal, the Secretary-General will prepare the instructions to programme managers on budget formulation accordingly.

78. The statement of these programmatic elements in the programme budget for the biennium 2002-2003 also requires that the objectives for the medium-term plan for the period 2002-2005 be formulated in such a way that change-oriented objectives for the biennium can be derived from them. Consequently, programme managers will need to ensure that the objectives in the proposed medium-term plan show observable change.

79. The third series of actions will be taken within the Secretariat to ensure that results-based budgeting elements can be put to effective use by the Organization. This will involve the further development of mechanisms that will support the implementation of results-based budgeting, as described in section VI above, including the accountability structure and the related information management system. Furthermore, the Secretariat will undertake the training of programme managers and other staff involved in programme planning, budgeting, monitoring and evaluation, in order to develop a better understanding of and familiarity with results-based budget elements, ensuring that skills within the Secretariat are fully developed as and when the General Assembly decides to proceed with full implementation.

80. As indicated above, the purpose of all these measures will be to subject results-based budget elements to testing and to reveal both possible benefits and shortcomings. In its study on the experience of United Nations organizations with results-based budgeting, the Joint Inspection Unit recommended the establishment of an open-ended working group to ensure the appropriate participatory role of Member States in adapting results-based budgeting concepts to the United Nations. As reflected in the present report, the Secretary-General believes that a channel for feedback from Member States is important to ensure that lessons are learned from the implementation of the proposed measures, and to make appropriate adjustments to the results-based budgeting elements. When sufficient experience and confidence has been built up in the course of the 2000-2001 and 2002-2003 bienniums, future measures beyond the biennium 2002-2003 could include the enablement of programme managers to meet the requirements of their enhanced accountability, which would be accomplished through the aggregation of information on resource requirements in the programme budget, and a reduction of restrictions on programme managers in the management of available resources.

VIII. Conclusions and recommendations

Conclusions

81. The findings of the present report can be summarized as follows:

(a) The present programme planning, budgeting, monitoring and evaluation process, while intended as a comprehensive cycle with interrelated elements, has not been able to fulfil all of its purposes and to address concerns raised in past years, in particular those relating to the ability of the Organization to determine the effectiveness of its work, and to the need to effect changes in the management culture of the Secretariat;

(b) The shortcomings of the current process are due to a combination of such reasons as: the continued focus on inputs at the stage of budget formulation and on activities and outputs during and following budget implementation; the lack of clear criteria for budget formulation and of strong links between programmatic elements in the programme budget and the programme budget cycle as a whole; and the very limited use of other concepts such as performance indicators;

(c) Results-based budgeting builds on existing processes and seeks to consolidate the various elements of the programme planning, budgeting, monitoring and evaluation cycle that have hitherto been applied in relative

isolation from each other. A results-based budget format will differ from the current format in its emphasis, not in its nature;

(d) Results-based budgeting requires programme managers to focus on accomplishments and to take timely decisions on resource management for the implementation of programmes, and holds them responsible for those decisions. The emphasis on expected accomplishments in the programme budget will increase the capacity of Member States to give policy direction to the Organization, to determine the effectiveness and continuing relevance of its work and to benefit from an enhanced transparency;

(e) Results-based budgeting requires the application of the programme planning concepts of "objectives", "expected accomplishments", and "performance indicators" at the beginning of the programme planning cycle and at the stage of programme budget formulation;

(f) Increased accountability of programme managers must be accompanied by an empowerment effectively to discharge that responsibility. Relaxation of current rigidities would allow programme managers to take corrective action in the course of a biennium on a more timely basis;

(g) A results-based budget format is not more or less likely to lead to resource reductions than is the current budget format;

(h) The concepts of "accomplishments", "results", "achievements" and "outcomes" are interchangeable, as long as they fulfil the same function vis-à-vis objectives, outputs and performance indicators. For consistency, however, it is preferable to use the term "expected accomplishments", as provided in the Regulations and Rules Governing Programme Planning;

(i) The current Regulations and Rules Governing Programme Planning do not preclude the adoption of results-based budget elements;

(j) The introduction of a results-based budget format should take the form of a gradual, carefully designed process of change. Acceptance of changes or refinements to the current budgetary process should be based on clear indications that such changes will show an improvement over the present process.

82. While many Member States have expressed concerns about the effectiveness of the Organization and have generally agreed on the need to determine what is meant to be accomplished through improved planning, budgeting, monitoring and evaluation procedures, some Member States have also expressed caution on the implementation of a system which might imply the redirection or elimination of resources from activities that may not yield immediate results. It is clear that the noble purposes of the United Nations, as expressed in its Charter, are not time-bound. The elimination of racism and discrimination, the eradication of poverty or the removal of threats to peace are results that are clearly not expected to be achieved within a biennium or within the scope of a medium-term plan. Furthermore, the achievement of those objectives goes far beyond the competence of the United Nations Secretariat alone.

83. Activities to be undertaken by the Secretariat towards achieving the objectives of the Charter can and should, however, be able to produce results within the Secretariat's sphere of influence and within specific time-frames. While the work of the Secretariat cannot be expected to result in the eradication of poverty, its activities in that area should be aimed at increasing awareness and understanding of the problem, at improving economic and social conditions, at facilitating the compliance of Member States with programmes of action that promote higher standards of living, and so on. If the expected accomplishments are not achieved as planned, then programme managers will have to take corrective measures. Results-based budgeting will help programme managers to determine how, when and where such corrective measures should be taken. Results-based budgeting is a management tool to be used by programme managers for achieving a better understanding of the purposes of their work, for determining the results they intend to achieve within a given time-frame and for managing resources effectively towards that end.

84. It is in the interest of the Organization and of every Member State that the United Nations be able to determine whether, and to what extent, its programmes and activities make a difference in relations among States and in the lives of people. Through more consistency and clarity in the programme planning stage, the programme budget can be used to its full potential to serve as a medium of communication between Member States and the Secretariat on the purpose and direction of the Organization.

Recommendations

85. It is recommended that the General Assembly request the Secretary-General to continue to develop performance indicators for use in all substantive and support programmes and to include performance indicators in all sections of the proposed programme budget for the biennium 2002-2003, in addition to statements of objectives and expected accomplishments

in a single coherent framework, as elaborated in the prototype fascicles.

86. The General Assembly may wish also to request the Secretary-General to prepare a prototype report on accomplishments, based on the prototype fascicles, for consideration at its fifty-sixth session, and to take further measures to develop the mechanisms and skills that would allow the successful implementation of performance measurement as a basis for improved programme monitoring and evaluation within the existing programme budget cycle.

Notes

[1] *Official Records of the General Assembly, Forty-eighth Session, Supplement No. 16* (A/48/16), para. 235.

[2] ST/SGB/PPBME Rules/1 (1987), as amended by General Assembly resolutions 42/215 and 53/207.

[3] In response to a request by the Committee for Programme and Coordination at its thirty-ninth session (*Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 16* (A/54/16), para. 48), the Secretary-General formulated a new paragraph, to be inserted in rule 105.4 of the Regulations and Rules Governing Programme Planning, which is intended to provide guidance to programme managers in the formulation of expected accomplishments (see A/C.5/54/12).

[4] *Official Records of the General Assembly, Forty-sixth Session, Supplement No. 16* (A/46/16), paras. 398 and 400.

[5] Ibid., *Forty-eighth Session, Supplement No. 16* (A/48/16), para. 236.

[6] Ibid., *Fifty-third session, Supplement No. 16* (A/53/16), paras. 33-34.

[7] Ibid., para. 219.

[8] ST/SGB/PPBME Rules/1 (1987), annex.

[9] See also in this regard the note by the Secretary-General bringing to the attention of the General Assembly a new rule of the Regulations and Rules Governing Programme Planning (A/C.5/54/12), which is intended to provide guidance to programme managers in the formulation of "expected accomplishments".

Annex I

Glossary of relevant terms

Activity	Action taken to transform resources (inputs) into outputs.
Effectiveness	The extent to which results are achieved.
Efficiency	How well inputs are converted to outputs.
End-user	The recipient or beneficiary of an output or result.
Evaluation	Determination of the relevance, effectiveness and impact of the outputs, projects, subprogrammes or programmes in the light of the objectives and expected accomplishments.
Expected accomplishment	A desired outcome involving benefits to end-users, expressed as a quantitative or qualitative standard, value or rate. Accomplishments are the direct consequence or effect of the generation of outputs, and lead to the fulfilment of a certain objective.
Inputs	Personnel and other resources necessary for producing outputs and achieving accomplishments.
Monitoring	Tracking and determining the actual delivery of an output in comparison with the commitments reflected in the programme budget.
Objective	Something sought or aimed at. In programme budgeting, the term refers to an overall desired achievement, involving a process of change and aimed at meeting certain needs of identified end-users within a given period of time. Objectives can be met through the achievement of certain accomplishments.
Output	Final product or service delivered by a programme or subprogramme to end-users.
Performance indicator	A feature or characteristic used to measure whether and/or the extent to which the expected accomplishment has been achieved. Performance indicators correspond either directly or indirectly to the expected accomplishment for which they are used to measure performance.
Performance measurement	The determination of realized accomplishments in comparison with expected accomplishments, based on data collected for performance indicators for a given period of time or at a certain reference date.
Results-based budgeting	A programme budget process in which: (a) programme formulation revolves around a set of predefined objectives and expected accomplishments; (b) expected accomplishments justify the resource requirements which are derived from and linked to the outputs required to achieve such accomplishments; and (c) performance in achieving expected accomplishments is measured by performance indicators.

Annex II

Guidelines for the formulation of objectives and expected accomplishments

1. Objectives

Objectives express what the Organization wishes to pursue, usually within a biennium or a four-year plan period, although the overall objective may also have validity over a longer period of time. They describe the underlying or overall rationale for implementing a programme or subprogramme involving a process of change and aimed at meeting certain needs of identified end-users.

Objectives need to be set at the right level. The aims and purposes of the Charter of the United Nations are not objectives that can be attained within one biennium and are at too high a level of abstraction for programming purposes. Descriptions of mere activities, on the other hand, generally reveal no intention of accomplishing changes and do not provide an explanation of why an activity is implemented. Such descriptions would therefore be at too low a level. Moreover, issues such as how objectives will be pursued, that is, through the undertaking of activities and the production of outputs, should be kept distinct and separate from the objectives themselves.

Objectives can generally be formulated along the following lines: to reduce/increase, to change, to make progress towards, to strengthen, to streamline, to promote/increase support for etc. Objectives are not equivalent to activities when there is no explanation as to why the activities are implemented; for example, to provide advice to Member States, to provide support to the Secretary-General to assist committee etc.

2. Expected accomplishments

Expected accomplishments are the direct and often tangible effect or consequence of the delivery of outputs. They identify the benefits or changes that are expected to accrue to the users or beneficiaries of outputs. Generally, expected accomplishments of United Nations programmes will relate to changes in knowledge, skills, attitude, behaviour, awareness, condition or status.

Expected accomplishments must be specific and measurable, that is, they should be able to set a quantitative or qualitative value to allow a meaningful comparison with realized accomplishments. Either implicitly or explicitly, expected accomplishments should contain the identity of the end-users.

Expected accomplishments should generally be formulated along the following lines: increase in the awareness (of end-users) of a particular issue; strengthened capacity (of end-users) to do a particular task; an increased number of (end-users adopting) implementing measures. The following are not expected accomplishments: *activities* (such as servicing of meetings, maintenance of Web sites, participation in the activities of other organizations, liaison with governmental officials, coordination, monitoring and analysis of developments, fund-raising etc.) and *outputs* (such as parliamentary documentation, field projects, seminars, provision of technical advice to Governments, press releases, electoral assistance missions etc.).

Expected accomplishments can, however, relate to changes in the quality, quantity or timeliness of activities and outputs. For example, a reduction of the backlog in the production of a recurrent publication, an improvement in the quality (or of the satisfaction of the end-users) of advisory services, a reduction in the costs or time required to provide technical advice etc.

3. Relationship among objectives, expected accomplishments and outputs

In relation to objectives, expected accomplishments should always be of a more concrete, less abstract nature. Moreover, objectives and expected accomplishments should display a cause and effect relationship: objectives should be considered as the impact of achieving the expected accomplishments. Conversely, expected accomplishments are the tangible outcomes that will lead to the achievement of objectives and are the necessary conditions for attaining those objectives.